Unified Patent Court
Einheitliches Patentgericht
Juridiction unifiée du brevet

Mannheim Local Division
UPC_CFI_86/2025
(CCfR: UPC_CFI_490/2025)

Decision

of the Court of First Instance of the Unified Patent Court

Local Division Mannheim

delivered on 16 June 2026

CLAIMANT:

InterDigital VC Holdings, Inc.,
200 Bellevue Parkway, Suite 300, Wilmington - 19809 - Delaware – US

represented by: Cordula Schumacher, Lisa Rieth

DEFENDANTS:

1) **The Walt Disney Company,**
500 S Buena Vista Street - CA 91521 - Burbank - US

2) **The Walt Disney Company (Benelux) B.V.,**
Asterweg 15S - 1031 HL - Amsterdam - NL

3) **Disney Interactive**
500 S Buena Vista Street - CA 91521 - Burbank - US

4) **Disney Electronic Content, Inc.**
500 S Buena Vista Street - CA 91521 - Burbank - US

5) **Disney Platform Distribution, Inc**
500 S Buena Vista Street - CA 91521 - Burbank - US

6) **The Walt Disney Company Limited,**
Queen Caroline Street, Hammersmith - W6 9PE - London - GB

7) **Disney Enterprises, Inc.,**
500 S Buena Vista Street - CA 91521 - Burbank - US

8) **Disney Streaming Services LLC**
500 S Buena Vista Street - CA 91521 - Burbank - US

9) **Disney Media & Entertainment Distribution LLC**
500 S Buena Vista Street - CA 91521 - Burbank – US

10) **Disney Entertainment & Sports LLC**
500 S Buena Vista Street - CA 91521 - Burbank - US

11) **BAMTech LLC**
211 Avenue of the Americas - NY 10036 - New York - US

Defendants represented by: Dietrich Burkhard Kamlah

PATENT AT ISSUE: EP 2 465 265

PANEL/DIVISION:

Panel of the Local Division in Mannheim

DECIDING JUDGES:

This decision is delivered by the Presiding Judge Tochtermann, the Judge-rapporteur Sender, the legally qualified Judge Severinsson and the technically qualified Judge Kretschmann.

LANGUAGE OF THE PROCEEDINGS: English

SUBJECT OF THE PROCEEDINGS: Patent infringement action and Counterclaim for revocation

DATE OF THE ORAL HEARING: 5 May 2026

SUMMARY OF FACTS:

1. Claimant is suing Defendants for the alleged direct infringement of the European patent EP 2 465 265 (**patent-in-suit**, Exhibit AR-T1), which relates to video encoding and decoding. The mention of the grant of the patent-in-suit was published on 28 November 2018. It was filed on 11 August 2010 (internationally published as WO 2011/019383 A2, Exhibit TW4), claiming the priority of a provisional US patent application of 12 August 2009. The previously declared opt-out from the jurisdiction of the UPC has been withdrawn from the register on 3 February 2025 (cf. Exhibit AR-T3).

2. Claimant, a research and development company based in Wilmington, Delaware (USA), is the sole registered proprietor of the patent-in-suit, which is – *inter alia* – in force in the UPCA contracting member states Austria, Belgium, Germany, Denmark, Finland, France, Italy, Netherlands, Portugal, Romania and Sweden (cf. set of Exhibits AR-T2). For these contracting member states, Claimant is seeking injunctive relief, recall/definite removal, communication of information, interim awards of damages, a declaration on Defendants' liability for damages and a declaration of infringement.

3. Claims 1 and 15 of the patent-in-suit, on which the alleged direct infringement is based, read as follows in the language of the patent:

> 1. In a video encoder, a method, comprising: encoding (690) picture data for at least a block in a picture, wherein multiple partition types are supported for intra prediction chroma coding of the block (630, 830, 870), the multiple partition types comprising a set of multiple chroma partition types of sizes 16x16, 8x8, 4x4 and a set of multiple luma partition types (830, 870), wherein
> a particular chroma partition type using a single chroma intra prediction mode for coding the block is determined from the set of multiple chroma partition types independently from a particular luma partition type used to code the block (860,885) and the particular luma partition type being determined from the set of multiple luma partition types, or a particular chroma partition type using a single chroma intra prediction mode for coding the block is determined from the set of multiple chroma partition types in response to a luma partition type utilized to code the block or one or more neighboring blocks (670), the luma partition type being included in the set of multiple luma partition types.
>
> 15. A signal comprising video data generated by:
>
> encoding picture data for at least a block in a picture, wherein multiple partition types are supported for intra prediction chroma coding of the block, the multiple partition types comprising a set of multiple chroma partition types of sizes 16x16, 8x8, 4x4 and a set of multiple luma partition types, wherein

> a particular chroma partition type using a single chroma intra prediction mode for coding the block is determined from the set of multiple chroma partition types independently from a particular luma partition type used to code the block (860,885) and the particular luma partition type being determined from the set of multiple luma partition types, or
> a particular chroma partition type using a single chroma intra prediction mode for coding the block is determined from the set of multiple chroma partition types in response to a luma partition type utilized to code the block or one or more neighboring blocks (670), the luma partition type being included in the set of multiple luma partition types.

4. Defendants are part of the US-based company "The Walt Disney Company" (hereinafter also: Disney). They operate globally and nationally in various sectors including film production, television and digital video streaming services. Disney comprises the parent company (Defendant 1) and its subsidiaries and affiliated companies (including Defendants 2 to 11, cf. Exhibits AR2 to AR38).

5. Claimant aims with its Infringement action at the Disney+ streaming service, which Defendants jointly provide to their subscribers – *inter alia* – in the UPCA contracting member states (attacked embodiment). Disney+ is a personalised subscription streaming service that offers subscribers access to an extensive collection of films, series and other video content for a monthly fee (between: 5,99 € and 13,99 € per month) or an annual fee. It was introduced in the UPCA contracting member states around March 2020.

6. Users can access the service via a web browser (e.g. in Germany via *www.disneyplus.com/de-de*). Alternatively, users can access it via the Disney+ app on various devices such as smartphones, tablets, computers, smart TVs and/or third-party streaming devices (e.g. Apple TV or Fire TV Stick). The service operates on Video-on-Demand (VoD) basis, allowing users – *inter alia* – to stream the content directly on their terminals. In that case, video data is sent as a continuous data stream (bitstream) from the provider to the user's terminal.

7. As an exemplary attacked embodiment, Claimant names Walt Disney Studios' 1937 animated film *"Snow White and the Seven Dwarfs"*. The film is available via Disney+ in various bitstream formats. These include, for example, a bitstream format that uses the technology of the High Efficiency Video Coding (HEVC) standard with a resolution of 640x360 pixels (hereinafter: exemplary bitstream or – just – bitstream). Claimant downloaded and examined this exemplary bitstream, i.e. a structured sequence of binary data that encodes the video's image information, with the help of the bitstream analysis

software “StreamEye”, the factual results of this analysis being undisputed by Defendants. For further details, reference is made to the Statement of Claim (SoC), paras. 126 et. seqq.

8. The HEVC standard is also known as the H.265 standard. It is available in various versions, all of which are backwards compatible with one another. Claimant submitted the version of October 2014 as Exhibit AR-T5. The standard specifies – according to Claimant – the *bitstream syntax* — that is, the structure of the encoded bitstream to be decoded —and the result of the decoding process. According to Claimant’s allegations, the encoding process itself, which is used to generate an encoded video signal, is not covered by the HEVC standard.

9. According to HEVC’s definitions (cf. AR-T5, section 3), the following terms are to be understood as follows:

> **3.12** **bitstream**: A sequence of bits, in the form of a *NAL unit stream* or a *byte stream*, that forms the representation of *coded pictures* and associated data forming one or more coded video sequences *(CVSs)*.
>
> **3.133** **shall**: A term used to express mandatory requirements for conformance to this Specification.
>
> NOTE – When used to express a mandatory constraint on the values of syntax elements or on the results obtained by operation of the specified decoding process, it is the responsibility of the encoder to ensure that the constraint is fulfilled. When used in reference to operations performed by the decoding process, any decoding process that produces identical cropped decoded pictures to those output from the decoding process described in this Specification conforms to the decoding process requirements of this Specification.
>
> **3.154** **syntax element**: An element of data represented in the *bitstream*.
>
> **3.155** **syntax structure**: Zero or more *syntax elements* present together in the *bitstream* in a specified order.
>
> **3.44** **decoding process**: The process specified in this Specification that reads a *bitstream* and derives *decoded pictures* from it.
>
> **3.50** **encoder**: An embodiment of an *encoding process*.
>
> **3.51** **encoding process**: A process not specified in this Specification that produces a *bitstream* conforming to this Specification.

10. Regarding the predecessor of the HVEC standard, that is, the Advanced Video Coding Standard (AVC standard/also known as H.264 standard), the co-chairs of the JVT (Joint Video Team – the team responsible for developing H.264/AVC) pointed out (cf. Exhibit AR-T8, p. 560):

The scope of the standardization is illustrated in Fig. 1, which shows the typical video coding/decoding chain (excluding the transport or storage of the video signal). As has been the case for all ITU-T and ISO/IEC video coding standards, only the central decoder is standardized, by imposing restrictions on the bitstream and syntax, and defining the decoding process of the syntax elements such that every decoder conforming to the standard will produce similar output when given an encoded bitstream that conforms to the constraints of the standard. This limitation of the scope of the standard permits maximal freedom to optimize implementations in a manner appropriate to specific applications (balancing compression quality, implementation cost, time to market, etc.). However, it provides no guarantees of end-to-end reproduction quality, as it allows even crude encoding techniques to be considered conforming.

11. Claimant's legal predecessor submitted a FRAND-licensing declaration on 5 February 2017 (cf. Exhibit TW1) to the ITU (International Telecommunication Union), which is the relevant standardisation organisation concerning the HVEC standard, including the patent-in-suit that can be found under number 53 with its application number EP10760462.1 titled "Improved intra chroma coding".

12. The FRAND-licensing declaration reads as follows (cf. Exhibit TW 1, p. 3):

☒ 2. The Patent Holder is prepared to grant a license to an unrestricted number of applicants on a worldwide, non-discriminatory basis and on reasonable terms and conditions to make, use and sell implementations of the above document.
Negotiations are left to the parties concerned and are performed outside the ITU-T, ITU-R, ISO, or IEC.
Also mark here ☒ if the Patent Holder's willingness to license is conditioned on Reciprocity for the above document.

13. The term "Patent" used in the FRAND-declaration is defined as follows (Exhibit TW 1, p. 3):

> Patent: The word "Patent" means those claims contained in and identified by patents, utility models and other similar statutory rights based on inventions (including applications for any of these) solely to the extent that any such claims are essential to the implementation of the same above document. Essential patents are patents that would be required to implement a specific Recommendation | Deliverable.

14. As mentioned above, Claimant was and is of the opinion that the asserted claims 1 and 15 do not fall within the scope of the HEVC standard and, therefore, are not (neither *de jure* nor *de facto*) standard-essential. Thus, according to Claimant, these claims are not *"FRAND-encumbered"*.

15. Nevertheless, in July 2022, InterDigital initially contacted Disney regarding the licensing of InterDigital's so-called "Video Patent Portfolio" (cf. Exhibit AR 51, email of 18 July 2022 = p. 5 of the pdf.-document). After an NDA (cf. Exhibit AR 51, p. 7 et seqq. in the pdf.-

document) had been concluded, Claimant's group of companies offered a licence on […] covering video coding technology and, in particular, the asserted patent claims.

16. Defendants did not make a counteroffer for a year and a half (cf. Exhibit TW 9). They are of the opinion that Claimant's offer was made on *"a discriminatory basis and not on reasonable terms and conditions"* (cf. set of Exhibits AR50, p. 21, letter dated 11 June 2025). According to Defendants, Claimant would be obliged to make an offer under FRAND conditions, which it refused and refuses to do.

17. The parties are of the opinion that, pursuant to the aforementioned NDA, which was concluded in November 2022 at Defendants' request (cf. Exhibit AR 51, email of 19 July 2022 = p. 4 of the pdf.-document), they are not allowed to disclose any details of the licence negotiations for the period from […] to the end of […], including Claimant's licence offer.

18. According to paragraph 3 of the NDA (cf. Exhibit AR 51, pp. 7 et. seqq. of the pdf.- Document), which was added at the request of Defendants, *"Confidential Information"*, including *"the substance of any offers and counteroffers"* (cf. paragraph 2 of the NDA), may not be used – inter alia – "*as evidence regarding willingness to license or the lack thereof".*

19. Moreover, according to paragraph 12, the abovementioned provision of paragraph 3 *"survives any expiration or termination of the NDA with respect to any confidential information disclosed prior to the expiration or termination"*.

20. The panel refrains from redacting the above information concerning the NDA and the brief summary of the negotiation history, since it has already been discussed in open court in the oral hearing without any confidentiality measures and as the information is necessary to understand the decision.

21. Claimant terminated the NDA on 23 January 2025 (cf. Exhibit TW6) and initiated – *inter alia* – the present litigation (parallel cases before UPC are pending before the Local Division Düsseldorf, UPC_CFI_87/2025 and UPC_CFI_297/2025, as well as several cases before the Local District Court Munich I, cf. Exhibit AR56).

22. Furthermore, after Defendants had raised the FRAND-Defence in their Statement of defence in the present proceedings (and the parallel proceedings UPC_CFI_87/2025

pending before the LD Düsseldorf), Claimant's UPC representatives contacted Defendants' UPC representatives with an email of 14 July 2025 as follows (in an English translation, cf. Exhibit AR 49):

"Dear Mr. Kamlah,

In your answers to the Statement of claim in cases UPC_CFI_87/2025 and UPC_CFI_86/2025, you address issues related to (F)RAND. We would like to respond to this, but are prevented from doing so by the NDA between the parties. Against this background, we propose an agreement that would allow both sides to present the history of negotiations in the German and UPC proceedings. To preserve the confidentiality of the correspondence exchanged under the NDA, accompanying motions for confidentiality should be filed in each case.

We request a response by July 18, 2025."

23. In an email dated 22 July 2025 (cf. Exhibit AR49), Defendant's representatives stated that they had forwarded the enquiry to Defendants and had not yet received a reply, but expected one by the end of the week

24. However, according to Claimant, Defendants never responded to that enquiry in substance. Conversely, Defendants allege that they "*were more than willing to do so but requested that Claimant identify which communications they wished to have included"*, to which Claimant allegedly never responded (cf. Rejoinder dated 27 October 2025, para. 29).

REQUESTS OF THE PARTIES

25. Claimant requests (in an English translation after a change of the language of the proceedings):

I. The Defendants are ordered,

1. to refrain from

a) offering or placing on the market in the territory of the Contracting Member States of Austria, Belgium, Germany, Denmark, Finland, France, Italy, the Netherlands, Portugal, Romania and Sweden

encoded picture data directly produced by a method in a video encoder,

wherein the method comprises

encoding (690) picture data for at least a block in a picture, wherein

multiple partition types are supported for intra prediction chroma coding of the block (630, 830, 870), the multiple partition types comprising a set of multiple chroma partition types of sizes 16x16, 8x8, 4x4 and a set of multiple luma partition types (830, 870), wherein a particular chroma partition type using a single chroma intra prediction mode for coding the block is determined from the set of multiple chroma partition types in response to a luma partition type utilized to code the block or one or more neighboring blocks (670), the luma partition type being included in the set of multiple luma partition types,

(direct infringement of method claim 1, variant 2)

in particular if,

from among a particular luma partition type and a particular chroma partition type selected to code the block only the particular luma partition type is signaled (690), the particular luma partition type being selected from the set of multiple luma partition types and the particular chroma partition type being selected from the set of multiple chroma partition types,

(dependent claim 3)

and/or in particular if,

the particular luma partition type is absolutely coded (690);

(dependent claim 4, variant 1)

b) offering or placing on the market in the territory of the Contracting Member States of Austria, Belgium, Germany, Denmark, Finland, France, Italy, the Netherlands, Portugal, Romania and Sweden

a signal comprising video data,

wherein these are generated by

encoding picture data for at least a block in a picture, wherein multiple partition types are supported for intra prediction chroma coding of the block, the multiple partition types comprising a set of multiple chroma partition types of sizes 16x16, 8x8, 4x4 and a set of multiple luma partition types, wherein a particular chroma partition type using a single chroma intra prediction mode for coding the block is determined from the set of multiple chroma partition types in response to a luma partition type utilized to code the block or one or more neighboring blocks (670), the luma partition type being included in the set of multiple luma partition types;

(direct infringement of product claim 15, variant 2)

2. to

a) recall and

b) permanently remove

the products referred to in section I. 1 from the cannels of commerce;

3. to inform the Claimant to the extent to which the Defendants have committed the acts referred to in section I.1. since 28 November 2018,

   in the form of a structured statement in electronic form capable of being evaluated by computer, organised by each month of a calendar year and by infringing product, covering all relevant information, in particular:

   a) the origin and distribution channels of the infringing products;

   b) the quantities produced, manufactured, delivered, received or ordered, and the prices paid for the infringing products;

   c) the identity of all third parties involved in the manufacture or distribution of the infringing products;

4. to disclose the Claimant their books of account in support of the information provided pursuant to section I.3., together with information on the profits made, by making available in electronic form capable of being evaluated by computer, organised by each month of a calendar year and by each infringing use of the method and each infringing product:

   a) evidence of the number and dates of the infringing products offered and distributed;

   b) invoices – or, if unavailable, delivery notes – for individual deliveries, broken

      down by quantities offered, dates of offers, prices of the products offered and type designations, as well as names and addresses of the commercial recipients of offers to sell, for all infringing products sold or otherwise disposed of;

   c) evidence of advertising activities carried out, broken down by advertising medium, its distribution, the period of distribution and the distribution territory; including supporting documentation of such advertising activities;

   d) evidence of costs, broken down by individual cost factors and the profits made;

   e) invoices – or, if unavailable, delivery notes – and corresponding accounts of all costs incurred upon which the Defendants rely in calculating their profits;

      and confirm the accuracy of the information provided by an affidavit,

      or, in the alternative,

      have it audited and confirmed by a sworn auditor appointed by the Claimant at the Defendants' expense, such auditor being bound to maintain

confidentiality towards the Claimant with respect to the information specified above;

5. to pay to the Court

   a) a periodic penalty payment of up to EUR 10,000 per day for each retrievable associated signal pursuant to section I.1.a) and/or I.1.b) in the event of any violation of the orders in accordance with the request under I.1;

   b) a periodic penalty payment of up to EUR 5,000 per day for each day of noncompliance in the event of any violation of the orders in accordance with the requests under sections I.2., I.3. and I.4.;

6. to pay to the Claimant, as joint and several debtors, EUR 500,000 as an interim award of damages, to be adjusted should the acts referred to in section I. be continued.

II. It is declared that the Defendants are, as joint and several debtors, liable to compensate the Claimant for all losses suffered by it as a result of the acts referred to in section I.1. since 28 November 2018 and to be suffered in the future.

III. It is declared that the Defendants have infringed patent EP 2 465 265 by

   1. offering and placing on the market, in the territory of the Contracting Member States of Austria, Belgium, Germany, Denmark, Finland, France, Italy, the Netherlands, Portugal, Romania and Sweden, encoded picture data directly produced by a method in a video encoder, and

   2. offering and placing on the market, in the territory of the Contracting Member States of Austria, Belgium, Germany, Denmark, Finland, France, Italy, the Netherlands, Portugal, Romania and Sweden, signals comprising video data.

IV. The Defendants shall bear the costs of the proceedings.

26. Defendants request:

1. to dismiss the infringement action;

2. to order the claimant to bear the costs of the proceedings, including adequate reimbursement of the Defendants' costs;

in the alternative, in case the Court should order an injunction and/or information,

3. to order that the enforcement of any injunction is conditional upon a financial security provided by the Claimant in the amount of at least EUR 500 million;

4. to order, an order against the Defendants to provide information under motion I.3 and 4 of the Statement of Claim is made conditional upon a confidentiality order against the Claimant to the effect that (a) the access to the information is restricted to Claimant's outside counsels and two representatives of Claimant who are named

to the Defendants in advance and (b) the information may be used only for the purposes of calculating potential damage and compensation claims against the Defendants and for identifying other parties involved in the supply or distribution of the accused products for the purpose of asserting claims for alleged patent infringement against them.

COUNTERCLAIM FOR REVOCATION

27. With regard to their Counterclaim for revocation (UPC_CFI_490/2025) Defendants finally requested that (cf. submission of 29 April 2026):

    1. EP 2 465 265 B1 is revoked to the extent of claims 1, 3, 4 and 15 for the Contracting Member States Austria, Belgium, Germany, Denmark, Finland, France, Italy, The Netherlands, Portugal, Romania and Sweden.

    2. The court sends a copy of the decision to the European Patent Office and to the national patent office of any Contracting Member State concerned in accordance with UPCA, Article 65(5).

    3. Claimant bears the costs of the counterclaim for revocation including adequate reimbursement of the Defendants' costs.

28. Claimant requests:

    1. The Counterclaim for revocation is dismissed.

    2. Defendants bear the costs of the proceedings including adequate reimbursement of Claimant's costs.

29. In its conditional Application to amend the patent, Claimant relies on thirteen auxiliary requests A1-A3, B1-B6, C1-C3 and C6 (cf. Exhibit AR-T12), and further amendments by cancelling claim 1 or 15 as granted and maintaining the remaining claim 1 or 15 as granted or in amended form in accordance with the aforementioned auxiliary requests (cf. requests IV. to VII.).

30. Defendants request,

    to dismiss patentee's application to amend the patent in suit.

POINTS AT ISSUE

31. The parties are in dispute about different aspects of the case at hand.

INFRINGEMENT

32. Claimant asserts that the technical teaching of patent claims 1 and 15 was not covered by

the HEVC standard. Rather, according to its own explicit wording, the HEVC standard defined and specified only the required functionality of the decoder and imposed restrictions to the bitstream syntax.

33. Consequently, the subject of the infringement allegation was not the HEVC standard as such, but the specific encoding of a bitstream. Claimant opines, the exemplary bitstream made use of techniques, which the HEVC standard merely would permit, but not require. The standard merely provided the syntax how to encode the bitstream according to these parameters, enabling the decoder to decode and reconstruct the video data, but would not cover an encoder and the encoding process to achieve such a bitstream syntax. For example, the HEVC standard specified, which sampling formats (e.g. 4:4:4 or 4:2:0) may be used and how the specific sampling format employed had to be encoded in the bitstream. Nevertheless, it was the encoder that would determine the sampling format (e.g. 4:4:4 or 4:2:0) ultimately used in a bitstream.

34. Accordingly, Claimant is of the opinion that claims 1 and 15 of the patent-in-suit would not fall within the scope of the HEVC standard, i.e. were not (neither *de jure* nor *de facto*) standard-essential. The asserted encoding claims were thus, already on "a conceptual" level, not subject to any FRAND requirements. In fact, an encoder could be configured to generate an HEVC-compatible bitstream without making use of the teaching of the asserted claims, which would therefore not confer a dominant market position.

35. Apart from that, Defendants had not made any serious efforts to obtain a licence. On the contrary, they had failed to substantively respond to the Claimant's licence offer. Their overall conduct, in particular their refusal to allow Claimant to present the whole negotiation history by amending the strict NDA, suggested that they were not interested in taking a licence at all. Rather, they were doing everything to delay and obstruct negotiations. Also for this reason, any FRAND defence had to fail.

36. Defendants opine that, under Claimant's narrow and flawed claim construction, the attacked embodiment would not make use of features 1.2/15.2 because once the luma partition type has been set, there is – undisputedly– only one fixed chroma partition type available for encoding. This was a "trivial 1:1 mapping" that – according to Claimant – would allegedly not fall within the scope of the asserted claims.

37. Apart from that, Defendants were entitled to a FRAND defence. In accordance with Claimant's infringement allegations, claims 1 and 15 were standard-essential. There would be no relevant technical difference between the decoding and the encoding process. Moreover, the HVEC standard imposed restrictions to the *encoded bitstream syntax* which could neither be changed, nor omitted if the video file shall be playable on a standardized HEVC media player/decoder.

38. The circumstance that the participants in the HEVC standardisation – allegedly – "intentionally" referred only to the decoding functionality would not change the fact that the standard imposed constraints on the encoding and the encoded bitstream. Claimant's argument that it would be possible to implement the HEVC standard without infringing the asserted claims by using only one chroma block size, such as 16x16 or 8x8, for the entire video, was unconvincing. With this "one size fits all" approach, the flexibility to choose the best block size for each block would be gone and the entire encoding would become prohibitively inefficient. The advantages of HEVC over prior standards, such as AVC, would be lost.

39. Since claims 1 and 15 were standard essential, Claimant had an obligation to notify the Defendants of the patent-in-suit as standard essential patent for HEVC and offer a licence on FRAND terms and conditions, including an explanation of the royalty calculation and a confirmation that the offer was non-discriminatory. However, Claimant had done the exact opposite and had explicitly refused to comply with FRAND requirements from the outset despite repeated requests by Defendants for a FRAND licence. Therefore, unless Claimant corrected its position and showed willingness to grant a licence under FRAND terms, Claimant had to be considered as an unwilling licensor and Defendants were not required to accept a non-FRAND licence offer or to make a FRAND counteroffer.

40. Consequently, Claimant was not entitled to an injunction, to claims for recall and removal and to a full damage claim beyond reasonable royalties. At least, the amount of the security deposit as a condition for the enforcement of an injunction had to be set at a minimum of 500 million € to cover the damages that Defendants could suffer from the enforcement of a judgment at first instance.

41. Claimant's request to lay open books of the Defendants was not covered by the scope or requirements according to Art. 68 (3) UPCA, in conjunction with R. 191, 131.1(c) and

R. 141 RoP. The procedure to lay open books formed part of the procedure for the award of damages. Furthermore, in accordance with Art. 67 (1) (a) to (c) UPCA, R. 191 and R. 190 (1) RoP, access to the information requested by the Claimant under motion A.II of the Statement of Claim should, in any case, be restricted to Claimant's outside counsels and a limited number of representatives of the Claimant and it should only be used by Claimant to calculate any potential damage claims in connection with the asserted patent infringement and to identify further infringing acts.

42. For further details, it is referred to the parties' briefs and the corresponding exhibits.

COUNTERCLAIM FOR REVOCATION

43. Defendants base their Counterclaim for revocation on the following grounds of Art. 138 EPC in conjunction with Art. 65 (2) UPCA:

- lack of novelty (Art. 138(1)a) in conjunction with Art. 54 EPC),
- lack of inventive step (Art. 138(1)a) in conjunction with Art. 56 EPC),
- added matter (Art. 138(1) c) EPC).

44. Defendants argue that the subject-matter of the patent-in-suit lacks novelty in view of any of the following documents

- Recommendation ITU-T H.264 (2007) – Corrigendum 1", 01/2009 (Exhibit D1)
- JVT-H018 – Color Format Extension (Exhibit D2)
- Patent application US2009/0190659 A1 ("Lee"/Exhibit D3)
- Patent application WO 2006/112653 ("Kim"/Exhibit D4)

45. Defendants further argue that the subject-matter does at least not involve an inventive step over D2, nor over D1, D2 or D4 in combination with D3.

46. In relation to their inventive step attacks starting from D3, Defendants additionally rely on the documents

- Video Coding Experts Group (VCEG), "Intra coding using extended block size", VCEG-AL28 (Exhibit D5)

- VCEG-AL28 slides presentation, 38th VCEG Meeting, London/ Geneva, July 2009 (Exhibit D6)

- Video Coding Experts Group (VCEG), "Enlarging MB size for high fidelity video coding beyond HD", VCEG-AJ21 (Exhibit D7)

- Patent application WO 2008/027192 A2 (Exhibit D8).

47. Claimant rejects the attacks on the validity of the patent-in-suit as inadmissible and at least unfounded. Claimant submits that the scope of the Counterclaim for revocation as originally filed was unclear and therefore inadmissible, whilst any subsequent amendment would fall within the scope of R. 263 RoP, the requirements of which were not met. Furthermore, Claimant opines that Defendants' additional inventive step arguments regarding D3 introduced in the Reply to the Defence to the Counterclaim for revocation and the Rejoinder concerning the Application to amend the patent were late filed and had to be dismissed. Claimant further disputes that Exhibits D5, D6 and D7 were publicly available before the priority date, and hence are prior art.

48. Upon request of Defendants for clarification of the subject matter of their CCfR, the Judge-Rapporteur ordered on 12 September 2025 that

"Request I. of the Counterclaim for revocation as originally filed is to be interpreted as seeking the revocation of claims 1, 3, 4 and 15 of EP 2 465 265 B1 (patent-in-suit). The clarification of the wording of the request I. is admissible and permitted without the need of an application and order pursuant to R. 263 RoP."

The order was not subject of a panel review.

49. Furthermore, Defendants subsequently – upon request of the Judge-rapporteur during the interim procedure (cf. order of 22 April 2026, p. 4) – clarified that the territorial scope of the Counterclaim for revocation corresponds to that of the Infringement action.

50. For further details, it is referred to the aforementioned orders, the parties' briefs and the corresponding exhibits.

REASONS FOR THE DECISION

51. Both, the Infringement action and the Counterclaim for revocation are admissible. The Infringement action is predominantly successful, whereas the Counterclaim for revocation and the FRAND defence raised by Defendants are unfounded.

ADMISSIBILITY

Jurisdiction

52. The UPC has international jurisdiction pursuant to Art. 7(2) in conjunction with Art. 71b (1) of the Brussels I recast Regulation and the Local Division Mannheim is competent for deciding upon the Infringement action under Art. 33 (1) (a) UPCA.

53. The international jurisdiction for the Counterclaim for revocation being directed against Claimant as an owner of a European Patent with national parts being in force in the relevant UPCA contracting member states follows from Art. 31 UPCA, Art. 71b (1), Art. 24 (4) of the Brussels I recast Regulation. The competence of the Local Division Mannheim follows from Art. 33 (3) (a) UPCA.

Subject matter of the Counterclaim for Revocation

54. Contrary to Claimant's opinion, Defendants' clarification of the scope of the Counterclaim for revocation as being directed against claims 1, 3, 4 and claim 15 of the patent-in-suit is admissible and does not constitute an amendment of the case under R. 263 RoP. For further details, reference is made to the order of the Judge-rapporteur of 12 September 2025, with which the panel concurs.

55. Moreover, Defendants' additional clarification that their Counterclaim for revocation only encompasses the Contracting Member States for which injunctive relief is sought in the corresponding Infringement action is admissible for the same reasons without the need to examine the further requirements set out in R. 263, R. 265 RoP.

SUBJECT MATTER OF THE PATENT-IN-SUIT

56. The patent-in-suit relates to digital encoding and decoding of video data. More specifically, it relates to intra chroma encoding and decoding (cf. para. [0001]).

57. In the prior art, it is well-known that the purpose of coded video data is to represent the information of a video image by using a small amount of data while maintaining a high accuracy. This is achieved by compressing the video data by exploiting and predicting temporal and spatial correlations of the video images (cf. para. [0002]). Prediction in video encoding is therefore a well-known key technique for compressing video data by reducing redundant information.

58. In order to apply prediction of temporal and spatial correlations of a video image, each image (also known as a *frame*) of a video sequence is partitioned into a plurality of blocks. The prediction technique uses similarities within the video to predict a given block by generating predicted sample values of this block. There are two common types of prediction: inter-prediction and intra-prediction.

59. Inter-prediction uses temporal correlations between different sequential images (frames) of the video sequence.

60. On the other hand, intra-prediction, which is the subject matter of the patent-in-suit, uses spatial image information from neighboring blocks within the same image (frame) of the video to predict the image information of the current block. Accordingly, this technique makes use of redundancies within the currently encoded image (frame) to predict a block. Consequently, spatially neighboring samples of the same frame that have already been transmitted and decoded are used as a reference for spatial prediction of a given block's samples. The block size for intra-prediction depends on the so-called partition type (cf. para. [0003]).

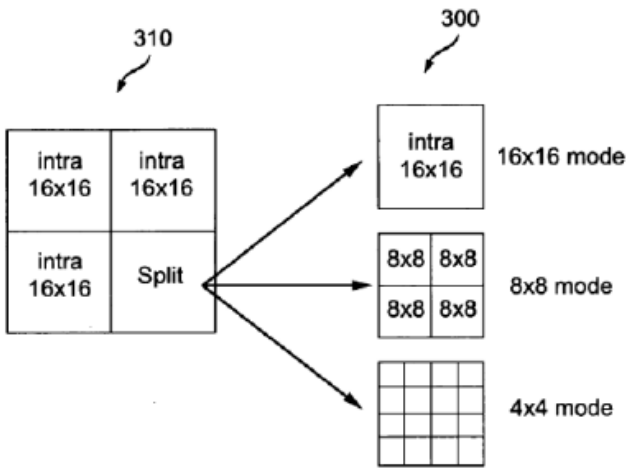
61. Moreover, for representing image information in a compressed format, the so-called YCbCr-model has proven useful. This model divides the brightness and colour information of a video image into the “luma” (brightness) component Y and two “chroma” (colour) components such as Cb (blue-yellow chrominance) and Cr (red-green chrominance). The Y component (luma) contains the black-and-white information of a colour image and is responsible for the perception of detail and contrast. The Cb and Cr components (chroma) carry the colour information of the image. One can think of each of these components as a separate image: there is a luminance image Y, a chrominance image Cb and a chrominance image Cr. Superimposing these three images produces the full-colour image.

62. Since the human eye is more sensitive to brightness than to colour detail, the YCbCr-model allows to omit irrelevant colour information in the encoding process without visibly compromising image quality by treating brightness (luma) and colour (chroma) differently. In order to encode a video image, brightness and colour information is sampled at various points. This process yields samples of both brightness (luma) and colour (chroma).

63. Against this known technical background, the patent-in-suit refers in particular to video coding according to the MPEG-4 AVC standard ("H.264 recommendation", para. [0002]; hereinafter also: AVC standard). According to this standard, a video frame is first divided into macroblocks of 16x16 pixels as a basis block for luma coding (Y samples) which can be subdivided further into smaller blocks, which are called partition types (cf. para. [0004]).

64. More specifically, for intra-luma coding, the AVC-standard provides three possibilities to further subdivide the luma sample. The division into INTRA_luma 4x4 (i.e. a division of a 16x16 macroblock into 16 blocks of 4x4 pixels each), INTRA_luma 8x8 (i.e. a division of a 16x16 macroblock into 4 blocks of 8x8 pixels each) or INTRA_luma 16x16 (i.e no further division, rather the 16x16 macroblock is maintained), which is shown in Figure 3 of the patent-in-suit:

FIG. 3



65. According to the patent-in-suit, on the other hand, for intra-chroma coding in the existing AVC standard, the chroma partition type in the 4:2:0 sampling mode (also called "chroma subsampling" since only half the number of pixels compared to luma are coded in vertical and horizontal direction) is always fixed – independently of a luma partition type – to a

single “chroma_8x8” block. In this case, intra-chroma coding does not adapt to the content of the image and is therefore less flexible and reduces the fidelity of chroma coding (cf. paras. [0002], [0005] and [0007]).

66. On the other hand, in the 4:4:4 sampling mode according to the AVC standard, intra luma partition types and prediction modes can be used for all three colour components. In this regard, common mode and independent mode are supported. In common mode, all three components always share the exact same information as the luma component, including partition type and prediction modes. In independent mode, each of the three colour components are coded as a separate plane, using the same coding method as the luma plane (cf. para. [0006]).

67. Against this technical background, the objective task of the patent-in-suit is to provide an improved and more flexible method for intra chroma coding.

68. As a solution, the patent-in-suit proposes in claim 1 an encoding method and in claim 15 a signal comprising encoded video data, the features of which can be structured as follows, whereby the panel follows the feature breakdown as used by both parties with regard to claim 15:

1	In a video encoder, a method, comprising:
1.1	encoding picture data for at least a block in a picture,
1.2	wherein multiple partition types are supported for intra prediction chroma coding of the block,
1.2.1	the multiple partition types comprising a set of multiple chroma partition types of sizes 16x16, 8x8, 4x4
1.2.2	and a set of multiple luma partition types, wherein
1.3.1	*a particular chroma partition type using a single chroma intra prediction mode for coding the block*
1.3.2	*is determined from the set of multiple chroma partition types independently from a particular luma partition type used to code the block*

1.3.3	*and the particular luma partition type being determined from the set of multiple luma partition types,* or
1.4.1	a particular chroma partition type using a single chroma intra prediction mode for coding the block
1.4.2	is determined from the set of multiple chroma partition types in response to a luma partition type utilized to code the block or one or more neighboring blocks,
1.4.3	the luma partition type being included in the set of multiple luma partition types.

15	A signal comprising video data
15.1	generated by: encoding picture data for at least a block in a picture,
15.2	wherein multiple partition types are supported for intra prediction chroma coding of the block,
15.2.1	the multiple partition types comprising a set of multiple chroma partition types of sizes 16x16, 8x8, 4x4
15.2.2	and a set of multiple luma partition types, wherein
15.3.1	*a particular chroma partition type using a single chroma intra prediction mode for coding the block*
15.3.2	*is determined from the set of multiple chroma partition types independently from a particular luma partition type used to code the block (860,885)*
15.3.3	*and the particular luma partition type being determined from the set of multiple luma partition types,* or
15.4.1	a particular chroma partition type using a single chroma intra prediction mode for coding the block
15.4.2	is determined from the set of multiple chroma partition types in response to a luma partition type utilized to code the block or one or more neighboring blocks,

15.4.3	the luma partition type being included in the set of multiple luma partition types.

69. Some features require further explanation, whereby the features are assessed with reference to claim 15. The same claim construction applies to the corresponding features of method claim 1.

70. The average person skilled in the art, who has a university degree or comparable degree in electrical engineering with a specialization in video and communication technology and who has several years of practical experience in the field of image coding and knows the video standards established at the priority date of the patent-in-suit, understands the relevant features as follows:

Feature 15 to feature group 15.2

"Encoded Signal"

71. The skilled person recognizes that the encoded signal is not limited to a specific bitstream syntax governed by a specific standard, but relates to encoded picture data in general (cf. para. [0044]).

72. Nevertheless, the patent-in-suit refers to commonly known principles of video encoding under the AVC standard, such as dividing the picture (frame) of a video sequence into a plurality of blocks (feature 15.1) and the representation of brightness and colour information of the blocks in a compressed format according to the previously known YCbCr-model by referring to *"intra prediction chroma coding"* and *"luma partition types"* (e.g.; features 15.2 and 15.2.2.).

"Intra prediction chroma coding"

73. More specifically, claim 15 relates to *"intra prediction chroma coding"* (feature 15.2; also referred to as: *"intra chroma encoding"*, cf. para. [0001]).

74. The skilled person knows that intra prediction chroma coding refers to the use of spatial image information from neighboring blocks within the same image (*frame*) to predict the image information of the current block, in this case the chroma information. Therefore, this method makes use of chroma redundancies within an image. Spatially neighboring

samples of a given block that have already been transmitted and decoded are used as a reference for spatial prediction of the given block's samples. The block size for intra prediction depends on the partition type (cf. para. [0003]).

"Chroma partition types"

75. According to feature 15.2 and 15.2.1, multiple chroma partition types, i.e. different possibilities to subdivide a block (cf. FIG. 3), comprising a set of sizes 16x16, 8x8 and 4x4, must be available for intra prediction chroma coding.

76. Therefore, the skilled person clearly recognizes that the patent-in-suit wants to distinguish itself by this requirement from prior art approaches, in particular the AVC standard, according to which in the 4:2:0 sampling mode only one fixed chroma partition type (8x8) is available for intra prediction chroma coding, whilst the intra prediction luma coding can be processed with different partition types (16x16, 8x8 and 4x4).

77. Moreover, as Claimant correctly assumes, features 15.2.1 and feature 15.2.2 require *different sets* of partition types for chroma and luma coding in the sense that they must not be completely identical. Accordingly, at least one available partition type of one set must not be included in the other set, e.g., at least one partition type within the set for luma partition types has to differ from the sizes 16x16,8x8 and 4x4, and may for instance comprise 32x32 in addition.

78. The mere wording of features 15.2.1 and 15.2.2 is open for interpretation. It is noted that the word "different" is not included in the wording of the features. Nevertheless, since features 15.2.1 and 15.2.2 distinguish between a set of multiple chroma partition type that must – at least – include the sizes 16x16, 8x8 and 4x4 (feature 15.2.1) and a separate set of multiple luma partition types (15.2.2), the question arises whether both sets may be completely identical.

79. Even though the claims are not only the starting point but the decisive basis for determining their protective scope, the claims are always to be interpreted in light of the patent specification (cf. CoA, decision of 26 February 2024, UPC_CoA_335/2023 - NanoString vs. 10x Genomics). At the same time, the scope of the claim(s) must not be limited to the scope of preferred embodiments (cf. LD Düsseldorf, decision of 31 October 2024, UPC_CFI_373/2023 - SodaStream vs. Aarke). However, the description may

represent a patent´s own lexicon which may lead to a narrower interpretation of a feature in contrast to a possible broader general usage/technical understanding. Even if terms as defined in the patent deviate from a general usage/technical understanding, it may therefore be that ultimately the meaning of the terms resulting from the patent specification is authoritative (cf. CD Munich, decision of 16 July 2024, UPC_CFI_14/2023, headnote 1 and section 6.6 on p. 13; CD Paris, decision of 5 November 2024, UPC_CFI_309/2023, section 7.6 on p. 13; see also: CoA, decision of 27 May 2026, UPC_CoA_622/2025, para. 36 [*Patent specifications constitute their own lexicon in terms of the terminology used therein*] - Hefei vs. Grundfos).

80. Applying these principles, the skilled person, when consulting the description of the patent-in-suit as an interpretation-aid, recognizes that in the present case the luma set and the chroma set have to differ from one another in at least one respect.

81. Para. [0025] of the description of the patent-in-suit defines, detached from a specific embodiment, that (underlined and bold type only here), "as used herein, the phrase **"multiple partition types are supported for intra chroma coding"** refers to the case where the partition type for intra chroma coding is not fixed to one particular partition type, but rather a selection is made with respect to a set of multiple partition types for intra chroma coding **and** where the set of multiple partition types for intra chroma coding **differs** from a set of multiple partition types of intra luma coding that is also available for coding. "

82. Accordingly, the patent-in-suit, being its own lexicon, defines in para. [0025] in general terms that the phrase *"multiple partition types are supported for intra chroma coding*" means – *inter alia* – that the set for intra chroma coding has to *differ* from the set of intra luma chroma coding. This definition is reflected by the asserted claims as this phrase is used in feature 15.2 almost verbatim, without any technical difference. The only difference is that the word "prediction" is added between "intra" and "chroma coding" in feature 15.2.

83. However, the skilled person clearly understands that there is no technical difference between the phrases *"intra chroma coding"* and *"intra prediction chroma coding"* because both refer to the same technical aspect, namely to predict the chroma information of a given block of a video image by using information of already encoded blocks of the same

image. This understanding is accepted by the parties with regard to the technical background of the patent-in-suit and confirmed by its descriptions which refers to “intra luma coding” and “intra chroma coding”, when explaining this technical background (cf., e.g., para. [0002]; para. [0005]). In particular, already in para. [0001], which relates to the technical field of the invention, it is stated that “*The present invention, according to appended claims, relate to video encoder and decoder for intra chroma encoding and decoding”*.

84. Consequently, the definition in para. [0025] has to be, in this exceptional case, “read into” feature group 15.2 as a binding definition. Therefore, the two sets according to features 15.2.1 and 15.2.2 have to differ in at least one aspect.

85. This conclusion is in line with further parts of the description. For example, in paras. [0009] to [0012], which summarize the claimed chroma encoding and decoding, it is repeatedly stated that *“the set of chroma partition types are different than the set of luma partition types”.* Consequently, the exemplary embodiments 1 and 2 provide a chroma set with the partition types according to feature 15.2.1, whereas the set of luma partition types additionally includes a 32x32 partition type (cf. para. [0046] and para. [0052]). Conversely, only the luma and chroma prediction modes can be *the same* or different (cf. para. [0045], p. 7; para. [0051]), which is also reflected by claim 15 which does not specify any mandatory requirements regarding the inter prediction mode for chroma encoding in comparison to luma encoding (see below with regard to feature 15.4.1).

86. Whether it is technically necessary to use *different* sets of chroma and luma partition types during encoding to further comply with feature 15.4.2, i.e. to determine the chroma partition type *in response* to the luma partition type, is irrelevant since the patent-in-suit clearly defines this requirement.

87. Against this background, nothing to the contrary follows from the prosecution history of the patent-in-suit, upon which Defendants relied as a counterargument in the context of claim interpretation for the first time in the oral hearing. Even under the assumption that their argument is admissible under R. 9.2 RoP, the mere fact that the word “different” was included in the claims of the original application as filed (cf. Exhibit TW4) and deleted during prosecution of the patent-in-suit does not, even under the assumption that such an analysis of the prosecution history is admissible with regard to claim construction, which is explicitly left open in this decision, justify the conclusion that the asserted claims

as granted are (obviously) intended to have a broader scope of protection. As Claimant argued correctly in the oral hearing, in the view of the clear definition of the phrase *"multiple partition types are supported for intra chroma coding"* in para. [0025], an addition of the word "different" in the asserted claims would be a dispensable repetition.

88. Finally, Defendants' argument that feature 15.2.1 ("comprises") would permit further chroma partition types in addition to 16x16, 8x8 and 4x4 does not refute the above claim interpretation. Even if additional chroma partition types were added, the requirement of different sets as defined in para. [0025] would still have to be met.

"Multiple partition types for chroma coding of the block"

89. Lastly, feature 15.2 requires that "multiple partition types *are supported* for intra prediction chroma coding of the block".

90. This requires that different partition types have to be available in abstract terms for encoding a particular chroma block, i.e. they must be in the "toolbox" of the encoder when encoding a specific block. Consequently, and contrary to Defendants' opinion, feature 15.2 does not require that, for a given encoded instance of a block, several chroma partition types must always remain simultaneously available as alternatives at the exact selection moment.

91. This interpretation is confirmed by the description: The patent-in-suit provides an exemplary embodiment in paragraphs [0046] to [0048], Table 2 and Figure 6. In this case, the encoder selects one of multiple luma partition types for a 32x32 superblock. In response to the selected luma partition type (only) one of available chroma partition types (16x16, 8x8, 4x4) is ultimately determined and applied for chroma intra prediction encoding. Consequently, once the chroma partition type has been specified, no other partition types need to be available for that particular chroma block.

Feature 15.4.1 (single prediction mode)

92. The *prediction mode* for intra chroma coding has to be distinguished from the partition type of a chroma block and refers to determining on the basis of which neighboring pixels a prediction is made for the pixels of the block that is currently encoded. This step takes place after selecting the specific partition type for chroma encoding.

93. Intra-prediction modes include, amongst others, planar and angular modes. A planar mode is one in which a value is assigned to each pixel in a block based on an average of the pixels in neighboring blocks. Angular modes specify an angle within which the prediction is made, based on adjacent pixels (cf. FIG. 1 and 2 regarding available angular prediction modes).

94. It follows from the wording of feature 15.4.1 ("a particular chroma partition type using a single intra prediction mode for coding the block") that it does not refer to an undivided, e.g. 16x16, chroma block but rather to the particular partition type which has been previously selected in accordance with feature 15.4.2 for intra prediction chroma coding.

95. Accordingly, if, for example, a 4x4 chroma partition type has been determined according to feature 15.4.2, each 4x4 chroma sample has to utilize only one singular intra prediction mode. However, this does not preclude the possibility that in this example, in which a 16x16 chroma block is divided/partitioned into sixteen 4x4 blocks (FIG. 3), the various 4x4 blocks may use different prediction modes as long as each 4x4 block only uses one single prediction mode. Accordingly, and contrary to Defendants' opinion, it is not necessary that each of the 4x4 blocks uses identical intra prediction modes.

96. Defendants' opinion, which they expressed for the first time in the oral hearing, has no basis in the wording of the claim that relates to the prediction mode of the particular chroma partition type and not to the undivided chroma block and requires a single intra prediction mode for this particular partition type and not identical prediction modes.

97. Consequently, the patent-in-suit explains with regard to the technical background of the invention that, for example, for intra chroma coding, each 8x8 chroma component of an intra coded macroblock is predicted by using four available intra prediction modes (cf. para. [0005]). Moreover, Defendants themselves conceded in the oral hearing (with regard to the identical table in the application as originally filed) that Tables 3 and 4 of the patent-in-suit relate to embodiments wherein the intra prediction mode is set for each 16x16, 8x8 or 4x4 chroma (sub)block, respectively. This supports the above interpretation of feature 15.4.1, as there is no reason apparent why the exemplary embodiments should not fall within the scope of claim 15.

98. This claim interpretation is also technically sound and in line with the technical purpose of the asserted claims. By subdividing a chroma component into e.g. 4x4 blocks, the encoder can address complex areas within an image differently and ensure sufficient quality by avoiding prediction errors because the range/scope of the video to be predicted is smaller per block, e.g. in comparison to an undivided 16x16 block. Consequently, from a functional point of view, it does not make sense to forgo this advantage by strictly requiring the same prediction mode for each and every 4x4 block.

99. Against this background, nothing to the contrary arises from the word "block" that is used in features 15.2 and 15.4.1. As explained above, feature 15.2 relates to the abstract capability of the encoder to use various partition types to encode a chroma block in a picture (frame). Accordingly, a[n] (undivided) 16x16 macroblock may be partitioned into 4x4 blocks, referred to as the particular partition type in feature 15.4.1. Therefore, the skilled person understands that feature 15.2 relates to prerequisites for the determination of the particular chroma partition type according to feature 15.4.2. On the other hand, feature 15.4.1, as explained above, states that a *particular chroma partition type uses a single chroma intra prediction mode* and, thus, refers to the situation where a possible subdivision has already been processed and now focusses on each subdivided block of the chroma component and its prediction mode.

100. The further implementation of the specific prediction mode is left to the discretion of the skilled person. In particular, and in contrast to block sizes for intra prediction, the prediction modes for chroma luma encoding may always be identical (cf. para. [0045], p. 7, ll. 2-4).

Feature 15.4.2 (determination of the chroma partition type)

101. In principle, the specific technical implementation to determine the particular chroma partition type, i.e. – at least – 16x16, 8x8 or 4x4, in response to a luma partition type is also left to the discretion of the skilled person. In particular, the determination can be coded in advance (cf. Table 2, which presents a predefined set of luma and chroma partition types and the correlation between them, and Table 3 that shows an exemplary encoding syntax).

102. However, it follows from the wording of feature 15.4.2 (*"in response to"*) and the comparison with feature 15.3.2 *("independently"*) that the choice of the particular chroma

partition type has to rely on the chosen luma partition type, whereby further technical circumstances, such as the sampling mode, e.g. 4:2:0, may be considered.

103. Therefore, as Claimant correctly argues, the determining step (feature 15.4.2) presupposes that the luma and chroma partition types are not, by definition, always identical, i.e. that – according to the encoding code – the chroma partition type has to be always the same as the luma partition type. If luma and chroma always used the same partition types there would be no technical need to have separate sets and a step of determining a chroma partition type in response to the luma partition type. This interpretation does not exclude the possibility to determine that – under certain technical circumstances – the identical partition types can be used. But there must, at least, be the possibility that they can differ in other circumstances.

104. This interpretation also follows from the correct understanding of feature group 15.2. As explained above, the sets for chroma and luma have to differ at least in one aspect. Accordingly, the partition types cannot – by definition – always be identical.

105. Apart from that, even when considering feature 15.4.2 independently, the above interpretation is supported by the description of the patent-in-suit. In the Method 1/ Embodiment 1 that corresponds to alternative in question of claim 15, a mapping that is not always identical is presented in which a chroma 16x16 partition is selected when the luma partition type is 32x32, a chroma 8x8 partition is selected when the luma partition type is 16x16, and a chroma 4x4 partition type is selected when the luma partition type is 8x8 (cf. par. 46, Table 2). In addition, the skilled person understands from the discussion of the background prior art in paras. 2 to 7 that the patent tries to distinguish itself from the AVC 4:4:4 sampling in common mode, in which the chroma partition and the luma partition types are always the same. The skilled person is familiar with the AVC standard and knows that the patent-in-suit provides a correct characterization of the 4:4:4 sampling in common mode. Therefore, the skilled person would avoid a broad claim interpretation that negates a distinction over the AVC 4:4:4 common mode described as prior art in para. 6 of the patent specification (cf. a similar case: LD Düsseldorf, decision of 31 October 2024, UPC_CFI_373/2023, headnote 2- SodaStream vs. Aarke).

COUNTERCLAIM FOR REVOCATION

106. The admissible (see supra) Counterclaim for revocation, being directed against the national parts of the UPC Contracting member states for which injunctive relief is sought (cf. Defendants' clarification of 29 April 2026), is unsuccessful.

107. The subject-matter of the patent-in-suit does not extend beyond the content of the application as originally filed. Moreover, the subject-matter of patent-in-suit is novel and involves an inventive step in view of the prior art presented in the proceedings at hand.

Added matter

108. Contrary to Defendants opinion, the subject-matter of the patent-in-suit does not extend beyond the content of the application as filed.

Legal framework

109. Pursuant to Art. 138(1)(c) EPC, a European patent may be revoked, if its subject-matter extends beyond the content of the application as filed or, if it was granted on a divisional application, extends beyond the content of the earlier application as filed.

110. In order to assess whether there is added matter contrary to Art. 123(2) EPC, the Court must thus first ascertain, what the skilled person would derive directly and unambiguously using his common general knowledge and seen objectively and relative to the date of filing, from the whole of the application as filed, whereby implicitly disclosed subject-matter, i.e. matter that is a clear and unambiguous consequence of what is explicitly mentioned, shall also be considered as part of its content (CoA, decision of 25 November 2025, UPC_CoA_528/2024, para. 54 - Amgen vs. Sanofi; order of 14 February 2025, UPC_CoA_382/2024, para. 52 - Abbott vs. Sibio). Accordingly, literal support is not required to comply with Art. 138(1)(c) EPC. Neither is it required that all features of the claim can be found in one paragraph or one example of the application as field (CoA, decision of 25 November 2025, UPC_CoA_528/2024, para. 90 - Amgen v Sanofi).

No added matter in the case at hand

111. Applying these principles, the subject-matter of claim 1 of the patent-in-suit does not extend beyond the content of the application as filed (Exhibit TW4).

112. Contrary to Defendants' assessment, the subject matter of feature 15.4.1 can be directly and unambiguously derived from the disclosure of TW4 as a whole, in particular with regard to using (only) a single chroma intra prediction mode for a particular chroma partition type. As explained in the context of claim construction, feature 15.4.1 requires that a single chroma intra prediction mode is used for coding the block according to the particular partition type, e.g. a 4x4 block.

113. This teaching can be derived directly and unambiguously from TW4. The application explains as a general concept that the encoder selects the best chroma intra prediction mode (singular) in the paragraph bridging pages 13-14. Accordingly, even Defendants conceded in the oral hearing that the application as filed disclosed to establish a single prediction mode for each (sub)block of a particular partition type, e.g. 4x4. As explained above in the context of claim construction, this aligns with the scope of the asserted claims which, thus, do not extend beyond the content of the application as originally filed.

114. Against this background it can remain open whether the specific arguments regarding added matter put forward by Defendants only in the oral hearing, according to which feature 15.4.1 would allegedly not relate to "subblocks", are admissible under R. 9.2 RoP. In particular, it appears highly questionable whether the mere assertion of added mater in the Statement of Defence (cf. page 44 et. seq.) without any further reasoning constitutes a sufficient basis for elaborating on it in detail in the oral hearing for the first time.

Novelty

115. Claim 15 and claim 1 are novel in the view of the prior art documents submitted in the present proceedings.

Legal framework

116. The assessment of novelty pursuant to Art. 54 EPC requires an assessment of the entire content of the prior source of disclosure. It is decisive whether the subject-matter of the patent claim with all its features is directly and unambiguously disclosed in the prior source of disclosure (cf. Court of Appeal, order of 25 September 2024, UPC_CoA_182/2024, para. 123).

Novelty in the view of the "Recommendation ITU-T H.264 (2007) – Corrigendum 1", 01/2009 (Exhibit D1)

117. Claims 1 and 15 are new over D1.

Scope of D1

118. Document D1, entitled “Advanced video coding for generic audiovisual services”, describes the H.264/AVC-standard, also referenced as the “MPEG 4 AVC Standard”, that is discussed in the patent-in-suit as its technical background.

119. In accordance with the disclosure of the patent-in-suit, the AVC Standard describes different possible colour/sampling formats. These colour/sampling formats, such as 4:2:0, 4:2:2, 4:4:4, describe the resolution of the two chroma samples Cb and Cr relative to the luma sample Y.

120. In the formats 4:2:0 and 4:2:2, the chroma samples Cb and Cr are encoded in lower resolutions than the luma sample Y, thereby exploiting the fact that the human eye is typically more sensitive to brightness than to colour, as illustrated in Fig. 6-1 of D1 for 4:2:0 sampling:

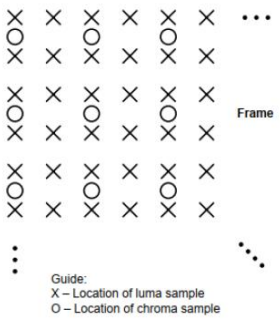


Figure 6-1 – Nominal vertical and horizontal locations of 4:2:0 luma and chroma samples in a frame

121. In the 4:4:4 format, the luma and chroma samples Y, Cb and Cr are encoded in the same resolution. This is particularly useful for formats that require the high fidelity of colours. The fact that the resolutions of the luma and chroma samples in the 4:4:4 format are the same is illustrated in Fig. 6-5 of D1:

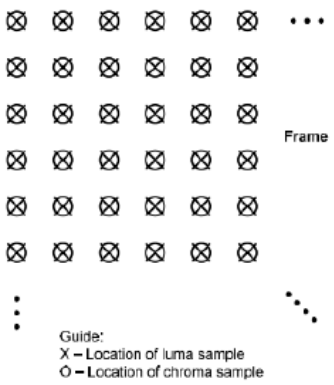


Figure 6-5 – Nominal vertical and horizontal locations of 4:4:4 luma and chroma samples in a frame

122. In D1, a macroblock, consisting of a 16x16 block of luma samples and two corresponding blocks of chroma samples, is used as the basic processing unit of the video coding process (section 0.6.3 of D1). These macroblocks may be partitioned in different manners for intra prediction. The block size for intra prediction depends on the partition type (D1, § 7.4.5).

123. In 4:2:0 sampling, the H.264/AVC encoder selects one of three partition types for the luma component Y, namely one of 16x16, 8x8, and 4x4. For the chroma components Cb and Cr, only one partition type is available, namely 8x8 (cf. D1, § 8.3.4).

124. In 4:4:4 sampling in common mode, always a common partition type is used for coding both the luma component and the chroma components (D1, § 8.3.4.5).

Novelty in the present case

125. In any case, D1 does not directly and unambiguously disclose **features 15.2.1 and 15.2.2** as well as **features 15.4.1 and 15.4.2**.

126. As explained above in context of claim construction, features 15.4.1 and 15.4.2 require that the determination of the particular chroma partition type in response to the luma partition type utilized to code the block excludes the case where both are per definition always the same. Moreover, feature 15.2.1. and 15.2.2 require different sets of chroma and luma partition types.

127. However, according to D1's “4:4:4 Common Mode”, the mapping relationship between the chroma partition type and the luma partition type is always identical to the luma partitioning type (16x16, 8x8 or 4x4), without there even being the possibility of a difference, whereas in other modes the chroma partition type is either fixed to 8x8 (4:2:0 sampling

mode) or independently selected (4:4:4 independent mode) and, thus, is not determined in response to the luma partition type utilized for coding.

Novelty in the view of JVT-H018 – Color Format Extension (Exhibit D2)

128. Claims 1 and 15 are also new over D2.

Subject matter of D2

129. D2 is a JVT proposal and relates to a colour format extension (D2, title). It deals with the JVT codec. This is another name for the H.264/AVC standard described in D1 (mentioning the "Joint Video Team (JVT)" in subclause 0.1 of D1). D2 predates D1 and is thus based on an earlier version of the JVT codec than the one specified in D1.

130. D2 proposes an extension to the JVT codec to efficiently support formats that require a high fidelity of colours such as digital cinema, digital archives, surveillance and so on (D2, section 1). In particular, in the YCbCr colour space, D2 describes support for the 4:4:4 colour format, in addition to the existing 4:2:0 format (section 1). According to D2, the 4:4:4 format is set by the variable chroma_format = 3 (see table V-2 of D2). In this setting, D2 proposes (cf. D2, p. 8) using the same intra-prediction mode for the chroma samples (Cb and Cr) as for the luma sample (Y), hereby (only) disclosing a partition into 16x16 or 4x4 blocks.

Novelty in the present case

131. D2 does not directly and unambiguously disclose **features 15.2.1 and 15.2.2 as well as features 15.4.1 and 15.4.2** for the same reason mentioned above in the context of D1.

132. Moreover, D2 fails to disclose **feature 15.2.1** as no chroma partition type of the size 8x8 for intra chroma coding is directly and unambiguously disclosed.

Novelty in the view of WO 2006/112653 (Exhibit D4/"Kim")

133. The same is true in the view of D4.

Scope of D4

134. Document D4 describes a moving picture coding/decoding method and apparatus using the H.264/MPEG-4 AVC standard. D4 proposes to increase the coding efficiency by using

a prediction method in which a single common prediction mode is selected for all colour components (para. [6]; step (a) of claim 1). Consequently, D4 discloses an encoder with an intra prediction mode selection unit, which – according to one embodiment – selects a single intra prediction mode to be commonly applied to all the colour components (cf. para. [0065]). For this purpose, the intra prediction mode selection unit selects a size of blocks to be commonly applied to all the colour components, i.e. chroma and luma. The sizes of the blocks are 16x16, 8x8, or 4x4 (cf. para. [0066]).

Novelty in the present case

135. Accordingly, also D4 fails to disclose features **15.2.1 and 15.2.2** as well as **features 15.4.1 and 15.4.2** as the available partition blocks for luma and chroma and the applied blocks are per definition always the same.

Novelty in the view of US 2009/0190659 A1 (Exhibit D3/"Lee")

136. Finally, claims 1 and 15 are new over D3.

Scope of D3

137. D3 discloses a video encoding and decoding method in particular based on the AVC/H.264-standard that improves compression efficiency by predicting luminance (Y) encoding modes from already encoded chrominance (Cb, Cr) blocks (cf. paras. [0003] et. seqq.). According to D3, edges and structural features in chroma blocks tend to align with those in luma blocks, and therefore chroma analysis can guide block partitioning and intra prediction direction for luma (cf. para. [0044]). D3 refers to a "block mode" for representing a divided form of a 16x16 macroblock. This block mode, D3 explains, tends to be the same in both the chrominance component video signal and the luminance component signal. D3 therefore D3 proposes to improve the coding efficiency by *"predict[ing] the block mode of the determined chrominance component video block as the block mode of the luminance component video block"* (cf. para. [0043]; see also para. [0038]: *"the encoding mode prediction unit 220 may predict a block mode of a luminance component video signal corresponding to a divided form of the chrominance component video block"*; and para. [0050]): *"The encoding unit 110 divides the luminance component video block and encodes the divided luminance component video block in the same block mode as the chrominance component video block."*).

138. According to D3 (cf. para. [0049]), *"the block mode for a chrominance component video block (16x16 macroblock) is determined depending on the calculated complexity of the block. Depending on the complexity, the form of the 16x16 block may be either maintained or subdivided into 8x8 sub-blocks. Similarly, each of these 8x8 sub-blocks may be either maintained or further subdivided into 4x4 sub-blocks, and so on"*.

139. Furthermore, according to D3 (para. [0076]), *"a video signal may have one of various formats. The size of the chrominance component video signal may be different from that of the luminance component video signal according to the formats. Even in this case, it is possible to predict the encoding mode of a luminance component by using a chrominance component block at a corresponding position so as to determine the encoding mode of a block corresponding to the luminance component. For example, in a YCbCr 4:2:0 format, the video size of the chrominance component is half the video size of the luminance component in horizontal and vertical directions. In this case, an encoding mode of a 16x16 luminance component block may be predicted by using 8x8 chrominance component blocks".*

Novelty in the present case

140. Contrary to Defendants' assertion, D3 does not directly and unambiguously disclose **features 15.2.1 and 15.2.2** and **features 15.4.1 and 15.4.2.**

141. With regard to the embodiment disclosed in particular in paras. [0044] et. seqq., Defendants do not contest that D3 only discloses to use always the same partition type (block mode) for chroma and luma intra prediction which is in line with AVC's 4:4:4 sampling in common mode.

142. Moreover, D3 does not disclose a general approach to overcome the previously established block partition within the 4:2:0 sampling framework as defined by the AVC standard, which relied exclusively on an 8×8 chrominance block.

143. Even taking the disclosure under para. [0076] into account, this conclusion is not refuted. This single paragraph discloses at most to use an 8x8 chrominance component block and a 16x16 luminance component block without an indication to a general concept according to which the chrominance block has to be determined in response to the luminance block. To the contrary, the skilled person would only directly and unambiguously derive from

D3, para. [0076], to stick to a fixed 8x8 chroma block, with is in line with the commonly known 4:2:0 sampling mode under the AVC standard, which is the technical background of D3. Accordingly, para. [0076] prerequisites a chrominance macro block of 8x8 and a luminance macro block of 16x16, that is, omits the determination of the specific block partition size in this regard, and (only) states that the prediction of the encoding mode may "even in this case" be predicted by using the chrominance component. As Claimant correctly argues, in this respect, it is at most directly and unambiguously disclosed to derive the luma intra prediction mode, e.g. the "direction" for intra luma prediction, from the chrominance component, whereas the patent-in-suit relates to the determination of the block partition type for the further prediction.

144. It is true that D3 states that, "*in the present invention, it is defined that the encoding mode includes a block mode for representing a divided form of a block obtained when a block of predetermined size is encoded and an intra-prediction mode obtained when the block of predetermined size is intra-predicted"* (cf. para. [0027]). Accordingly, the description of D3 relates to both parts of the encoding mode with regard to the embodiment wherein the partition types are identical (cf. "block mode" paras. [0041] et. seqq.; cf. "prediction of an intra-prediction mode" paras. [0051] et. seqq.).

145. However, as para. [0076] distinguishes itself from prior examples and prerequisites the block size, the skilled person can only directly and unambiguously derive from this single paragraph to use the 8x8 chrominance block to predict the remaining part of the encoding mode for the luminance block, i.e. the intra-prediction mode. There is no disclosure that in the specific scenario of para. [0076], i.e. the 4:2:0 sampling mode, a separate prediction of the block size is applicable, let alone in response to the luma partition type. Therefore, D3 at most suggests in this respect to (nevertheless) use the 8x8 chrominance block to determine/predict the relevant intra-prediction mode (i.e. the "direction" for intra-prediction") of a 16x16 luminance block.

146. Apart from that, D3 also fails to disclose *different* sets of luma and chroma partition types. It would at most disclose to use – in some cases – identical sets including the sizes 16x16, 8x8 and 4x4. Defendants' argument that par. 76 teaches a size of the chroma block which is always half the size of the luma block in horizontal and vertical directions requires a 32x32 luma block size to correspond to the chroma partition type of 16x16, in accordance with feature 15.2.1. However, a 32x32 luma block is not disclosed in D3. In the context of

the H.264/ AVC standard to which D3 refers in par. 6 and 33, the largest luma block size is 16x16. This is consistent with the description of par. 49 of D3, which mentions no larger blocks.

Inventive step

147. Lastly, claims 1 and 15 do not lack an inventive step over the prior art documents presented in these proceedings.

Legal framework

148. According to Art. 56 EPC, an invention shall be considered as involving an inventive step if, having regard to the state of art, it is not obvious to a person skilled in the art when being faced with the objective task of the invention.

149. The suitable starting point for the assessment of inventive step is not limited to the closest prior art. Since there may be several ways to arrive at a conclusion, there may accordingly exist several starting points. The decisive point is rather whether such starting point constitutes a suitable starting point which the relevant person skilled in the art would take into account, if confronted with the problem to be solved (cf. Central Division Munich Section, decision of 16 July 2024, UPC_CFI_14/2023, para. 8.6; Central Division Paris, decision of 21 January 2025, UPC_CFI_311/2023, para. 57). In this regard, on a regular basis, a solution as claimed is obvious, if, starting from a suitable starting point in the prior art, the skilled person would be motivated (i.e., have an incentive) to consider the solution and implement it as a next step (cf. Central Division Munich, decision of 16 July 2024, UPC_CFI_14/2023 para. 8.6; Court of Appeal, decision of 25 November 2025, UPC_CoA_528/2024, Amgen vs. Sanofi; decision of 25 November 2025, UPC_CoA_464/2024, Meril vs. Edwards). For an inventive step to be present, it is not necessary to show improvement of the technical teaching as defined by the patent claims over the prior art. Inventive step may also be found if the patent claims disclose a non-obvious alternative to solutions known in the prior art (cf. Court of Appeal, decision of 25 November 2025, UPC_CoA_528/2024, Amgen vs. Sanofi).

The objective technical problem of the invention

150. As stated above, the objective problem underlying the invention is to provide an improved and more flexible method for intra chroma coding of video data.

151. The inventive concept underlying the invention as a solution to the objective problem, as understood by the skilled person, is to provide an encoding method and an encoded video signal by using multiple chroma partition types, including 4x4, 8x8, 16x16, and a *different* set of luma partition types, wherein – in one claimed alternative – the chroma partition type is determined in response to the luma partition type.

152. This solution is not derivable starting from any of the relevant prior art documents without involving an inventive step.

Inventive step, starting from D2

153. Claim 1 and 15 do not lack inventive step over D2.

D2 as a suitable starting point

154. It can remain open whether D2 is a suitable starting point. Even under this assumption claims 1 and 15 of the patent-in-suit are inventive over D2.

Inventive step in present case

155. Starting with D2, the skilled person is not motivated to implement a determination according to feature 15.4.2 into the teaching of D2.

156. Even if the skilled person would add an 8×8 partition type into D2's 4:4:4 common mode, the outcome would still be a scheme in which luma and chroma always used the same partition types. In this respect, D2 provides no pointer to deviate from the established scheme even if an 8x8 partition were added.

157. Moreover, by adding an 8x8 partition type, no different sets of partition types would be established (features 15.2.1 and 15.2.2).

Inventive step in the view of D1, D2, D4 or D3

158. Furthermore, claims 1 and 15 of the patent-in-suit do not lack an inventive step over any one of D1, D2, D4 in combination with D3, nor conversely over D3 in conjunction with D1, D2 or D4.

D1, D2, D4 or D3 as a suitable starting point

159. It can remain open whether either of D1, D2, D4 or D3 is a realistic starting point. Even if this were the case, the skilled person would not arrive at the claimed solution without an inventive step.

Inventive step in the present case

160. Defendants argue that the skilled person, starting from any one of D1, D2, or D4, would apply the teachings of the second (4:2:0) embodiment in para. [0076] of D3 to D1, D2 or D4, respectively, leading "in a straightforward and obvious manner to the method of claim 1." But Defendants do not explain in any detail from which of the embodiments of D1, D2 or D4 the skilled person would set out, how the skilled person would combine them with the second (4:2:0) embodiment of D3, and why the skilled person would be motivated to do so.

161. Moreover, as explained above, D3 does not provide an unambiguous disclosure of features 15.2 and 15.2.1. Even by the Defendants' logic, feature 15.2.1 would require the provision of extended luma blocks of size 32x32, which do not form part of the MPEG-4 standard D1. D2 and D4 do not go beyond D1 in this regard.

162. Conversely, starting from D3, it is not obvious to implement a determination of the chroma partition type in response to the luma partition type according to **feature 15.4.2**.

163. In principle, D3 only discloses to use the same partition type for luma and chroma without any indication to deviate from this approach.

164. Nothing to the contrary is apparent from para. [0076] of D3. As explained above, this paragraph prerequisites an 8x8 chroma block for intra prediction and discloses that it can (nevertheless) be used to predict the intra prediction mode for a 16x16 luma block of the video frame when sampling is processed in a 4:2:0 mode. However, taken the technical background of D3 into account, which is in particular based on the commonly known AVC standard, there is no hint to deviate from the fixed 8x8 chroma block in 4:2:0 sampling. Such a pointer is also not derivable from D1, D2 or D4 which, as explained above, – *inter alia* – all relate to the 4:4:4 sampling in common mode, in which the luma and the chroma block per definition always have the same partition type, or to the 4:2:0 sampling with a fixed 8x8 chroma block. Accordingly, they do not motivate the skilled person to determine a (different) chroma partition type in response to a luma partition type.

165. Moreover, D3 does not motivate the skilled person to use different sets of chroma and luma partition types according **to features 15.2.1 and 15.2.2**.

166. Para. [0076] discloses only an 8x8 chroma partition type with regard to the commonly known 4:2:0 sampling mode. There is no hint in this regard to add further chroma partition types. Even if it were assumed, for the benefit of Defendants, that the skilled person would also be prompted to consider 4x4 and 16x16 chroma partition types in addition, the available sets of chroma and luma would still be identical. Therefore, and contrary to Defendants' assessment, D3 does, at least, not provide any pointer to include different sets of chroma and luma partition types.

167. The same conclusions hold with regard to Defendants allegation, with reference to further prior art documents D5 to D8, that it (allegedly) had been "commonly known" at the filing date of D3 that "32x32 blocks" should to be added to the existing AVC standard. Even if this were the case, and assuming for the benefit of Defendants that D5 to D7 constitute prior art, adding an additional partition type of size 32x32 would not inevitably lead to different luma and chroma sets or incentive the skilled person to take the next step in this direction. Rather, in this case, in the 4:4:4 common mode, an additional 32x32 block could be used for both, luma and chroma coding.

<u>No need to assess whether Defendants additional arguments based on D3 are admissible</u>

168. Since claims 1 and 15 as granted are valid, even when Defendants' additional arguments in their Reply regarding the Counterclaim for revocation and their Rejoinder regarding the Application to amend the patent concerning D3 are taken into consideration, the panel does not have to decide whether these arguments are admissible under R. 9.2 RoP and/or R. 263 RoP.

<u>No need to assess validity of dependent claims 3 and 4</u>

169. A decision on whether the subject-matter of dependent patent claims 3 and 4 extends beyond the content of the original application as filed (added mater) or is invalid for other reasons is not necessary.

170. Defendants have no legal interest in the assessment of the dependent patent claims if, as in the present case, the Counterclaim for revocation is already unsuccessful with respect

to the independent patent claim to which the dependent patent claims directly or indirectly refer back and which therefore has a scope of protection that also encompasses the dependent patent claims (cf. CoA, decision of 17 February 2026, UPC_CoA_302/2025, headnote 1 and para. 91 [regarding sufficiency] – Rematec v Europe Forestry; LD Mannheim, decision of 16 April 2026, UPC_CFI_819/2024, para. 190 et. seq. [regarding added matter]).

IMPLEMENTATION OF CLAIM 1 AND 15 BY THE ATTACKED EMBODIMENTS

171. Based on the claim construction above, it is undisputed that the encoding method and the encoded bitstream used in Defendants' streaming service makes use of claims 1 and 15 of the patent-in-suit.

172. Contrary to Defendants' opinion, the encoded video signal using different sets in accordance with the partition types available in HVEC's 4:2:0 sampling mode fulfils the requirements of **feature group 15.2** and **15.4**.

173. In particular, it is sufficient that different partition types can be used for each chroma block in response to the luma partition type in abstract terms. It is not necessary that, after a selection of a partition type has been made for a specific block, further partition types are still available as alternatives for chroma coding. Moreover, as the chroma partition type depends on, i.e. responds to, the previously chosen luma partition type and can differ from it, the determination step is also fulfilled. In this regard, too, it can be left open whether the arguments put forward by Defendants in their Rejoinder regarding non-infringement are admissible under R. 9.2 RoP.

174. Furthermore, the encoded bitstream according to claim 15 of the patent-in-suit is a product in the meaning of Art. 25(a) UPCA, which is not disputed by Defendants. Non-physical sequences of signals representing data suitable for transmission over a data network are entitled to the protection of a product, despite the absence of a permanent physical medium (data carrier). For the purposes of data processing, there is no relevant difference between data sequences stored on a data carrier and those merely transmitted via the internet or other communication systems. The data carrier itself is of no technical significance for the intended use of the data in the context of data processing, but merely functions as a storage medium. Accordingly, also intangible sequences of signals are entitled to product protection under Art. 25(a)UPCA.

175. Moreover, the encoded video signal constitutes a product directly obtained by the encoding method according to patent claim 1 (cf. Art. 25(c) UPCA).

INFRINGEMENT ACTS BY DEFENDANTS

Liability of Defendants

176. The asserted infringing acts, as detailed in the Statement of Claim, are not contested by Defendants. Accordingly, they are jointly responsible as accomplices for operating the Disney+ streaming service, hereby jointly offering and placing on the market the attacked embodiment.

LEGAL CONSEQUENCES

177. The established infringement acts predominantly justify Claimant's requests.

178. In particular, the patent infringement (Art. 25 (a) and (c) UPCA) justifies the injunctive relief (Art. 63 (1) UPCA), the corrective measures of recall and definite removal (Art. 64 (1), (2) (b) and (d) UPCA), and the order to communicate information (Art. 67 (1) UPCA and Art. 68 (3) (a) (b) UPCA in conjunction with R. 191 sentence 1 alternative 2 RoP (cf. LD Mannheim, decision of 11 March 2025, UPC_CFI_159/2024, Hurom vs. NUC Europe, paras. 103, 121) as well as the declaration on damages (Art. 68 (1) UPCA) and infringement (Art. 64 (2) (a) UPCA), in particular in their respective territorial scope.

Injunctive Relief

179. The given risk of further infringement, which is based on undisputed previous infringing acts, justifies the injunction. In this regard, it was not necessary to separately decide on Claimant's *"in particular if"*-requests concerning dependent claims 3 and 4 of the patent-in-suit. These dependent claims merely constitute examples of the actions already encompassed by the order in relation to independent claim 1.

180. The injunction does not have to be restricted permanently or temporarily due to disproportionality. Defendants' submissions lack facts which could support that a permanent injunction was disproportionate.

Request for Information

181. Claimant's request for information is well-founded.

Scope of Information

182. The requested information is necessary for calculating the damages and for assessing which damage calculation method should be used within the meaning of Art. 68 UPCA (cf. LD Mannheim, decision dated 22 November 2024, UPC_CFI_210/2023, GRUR-RS 2024, 32250, para. 178 et seq. - Panasonic vs. Oppo).

183. The request also concerns the production of the accounts referred to in request I.4. ("to disclose […] their books [...] by making available [...]). A reasonable interpretation of the arguments put forward in this regard shows that the application is not intended to verify the accuracy of the information provided, as defined in R. 141 et seq. RoP. Rather, it seeks the production of accounts accompanied by supporting documents, which Claimant clarified in its brief of 29 April 2026. This is also in line with Art. 68(3) of the UPCA and R. 191 RoP (cf. LD Mannheim, decision of 22 November 2024, *ibidem*, para. 179), additionally with the right to have the accounts verified and confirmed by a sworn auditor, or – alternatively – by an affidavit (as evidence of Defendants' compliance, cf. CoA, order of 14 October 2025, UPC_CoA_699/2024, Kodak vs. Fujifilm, para. 44).

184. The information about the origin and distribution channels serves to clarify the circumstances of the infringement and to enable further parties responsible to be held accountable and further infringements to be effectively stopped.

185. The information is to be provided structured by calendar month and by patent infringing product in electronic form. Structuring the data in this way allows Claimant to confirm whether the correct and/or complete data is included and serves to efficiently enforce the right to information, taking into account that an electronic list can be evaluated with the help of a computer which should be standard practice in professional accounting (cf. LD Mannheim, decision dated 22 November 2024, CFI 210/2023, GRUR-RS 2024, 32250, para. 178 - Panasonic vs. Oppo).

Defendants' request for confidentiality

186. Upon Defendants' request to protect the information to be communicated, the panel includes the restriction on use sought by Defendants in the respective operative part of the decision at hand.

187. Defendants' further request to protect the information to be communicated by further measures will be decided upon a reasoned request under R. 262A RoP concerning the specific information, if submitted. In this regard, a corresponding reservation of rights in Defendants' favour is included in the respective operative part of this decision.

Legal framework

188. If a Defendant can reasonably foresee that the orders and evidence requested by the Claimant may require Defendant to disclose confidential information, this should be raised by the Defendant during the proceedings on the merits, so that, where necessary, in the order or decision *appropriate measures* can be taken to protect such confidential information, whereby it would still be possible to file a confidentiality request thereafter (cf. CoA, order of 14 October 2025, UPC_CoA_699/2025 para. 45 - Kodak vs. Fujifilm). As the Court of Appeal has already ruled, R. 262A RoP applies at least *mutatis mutandis* in this situation. This already follows from the fact that, according to R. 190.1, second sentence, RoP, the Court may, for the protection of confidential information, order that the evidence be disclosed to certain named persons only and be subject to appropriate terms of non-disclosure. This is also applicable, pursuant to R. 191 RoP, to communication of information *"as is specified in Art. 67 of the Agreement"*. The same must apply in cases where the court orders the communication of information pursuant to Art. 67 UPCA (CoA, order of 29 January 2026, UPC_CoA_930/2025, headnote, para. 26 - EOFlow vs. Insulet).

Confidentiality in the present case

189. Applying these principles, Defendants are granted the opportunity to file a corresponding request for confidentiality when submitting the respective information.

190. However, according to the legal framework set out above, there is no basis for making the operative part of the decision on the communication of information subject to a condition regarding the sufficient protection of confidentiality. To the contrary, confidentiality issues generally do not stay the time period set for compliance with a penalty reinforced order (cf. CoA, order of 14 October 2025, UPC_CoA_699/2025 para. 45 - Kodak v. Fujifilm).

191. On the other hand, to ensure sufficient protection of any confidential information within

the information and/or evidence to be communicated, Defendants are granted the opportunity to file a corresponding reasoned request according to R. 262A RoP when the respective information is submitted. Only then can a proper assessment be made as to whether and to what extent the information in question is to be regarded as confidential and, if so, justifies access-restrictions on Claimant's side.

192. If, in accordance with the abovementioned case law of the Court of Appeal, a Defendant requests protection of confidentiality during the main proceedings regarding the facts to be disclosed if Claimant's request to communicate information is successful, it is, in principle, sufficient to allow Defendant to submit a specific application (only) upon the actual submission of the information in question. This is because the assessment of whether certain facts require confidentiality and, where applicable, justify access-restrictions on Claimant's side, can generally only be made once the specific information is presented. If a full assessment were required in the main proceedings, which would require the parties to present all relevant facts in the written proceedings, there would be a risk that the infringement proceedings would be burdened with the presentation of facts that could be irrelevant to the final decision, for example if the claim is dismissed due to a lack of infringement, and that the Claimant would thus already gain knowledge of information which the Defendant must first be ordered to disclose.

193. Accordingly, in order to allow Defendants to file a subsequent request under R. 262A RoP, it is sufficient that the information in question is likely to include facts, at least in part, that have to be treated as confidential, which is the case here with respect to the business figures in question. As explained above, the panel considers the possibility to file a subsequent request under R. 262 A RoP as an "*appropriate measure*" in the sense of the abovementioned CoA's *Kodak vs. Fujifilm* ruling to protect confidential information at this stage of the proceedings where the specific information has not yet been provided. In particular, it is neither possible nor necessary to decide at this point in time, if (parts of) the information to be submitted could justify an access-restriction on Claimant's side.

194. By granting, in the operative part of the decision, Defendants a subsequent possibility to file a motion under R. 262 A RoP, it is also clear that they are – in the present case – not precluded to request such protection after the final decision has been rendered (cf. for this aspect: LD Düsseldorf, order of 30 April 2026, UPC_CFI_351/2024, paras. 16 et. seqq.; order of 27 May 2026, UPC_CFI_779/2024, paras. 12 et. seqq.), since they – in contrast to

the respective applicants in the aforementioned cases decided by the LD Düsseldorf – already requested to protect confidential information during the proceedings on the merits.

195. Moreover, the panel included the restriction on the intended use for the sake of clarity in the operative part of the decision (cf. order I. 4), but not in the form of a condition (cf. LD Düsseldorf, decision of 23 April 2026, UPC_CFI_559/2024, para. 268). The Court of Appeal has ruled that there is no *implicit restriction* on the use of information obtained as a result of court orders pursuant to Article 67 UPCA and R. 191 RoP (cf. CoA, order of 18 March 2026, UPC_CoA_930/2025, para. 25 et seq. - EOFlow vs. Insulet). Since the information in question is related to potential damage claims and meant to identify further potential patent infringing acts, the requested limitation to use the information only in this respect is justified. Claimant has not invoked any necessity to use the information for purposes other than those mentioned by Defendants.

Recall and removal

196. The requests for recall and removal are also well-founded.

197. In order to effectively avoid further acts of infringement, such requests shall be granted on a regular basis. The burden of demonstration and proof of any circumstance justifying to refrain from such grant is for the infringer objecting to the grant of corrective measures, e.g., on grounds of disproportionality. Defendants' statements contain no such grounds.

198. The recall is to be restricted to commercial recipients only, because private end users are not part of the channels of commerce (cf. Local Division Düsseldorf, decision of 3 July 2024, UPC_CFI_7/2023, GRUR-RS 2024, 17732, para. 143). However, Claimant's request takes this into account by restricting the requested recall and removal to the channels of commerce.

Declaration of Infringement/on damages

199. The requested declarations on damages and of infringement are justified under Art. 64(2) (a) UPCA and Art. 68(1) UPCA, respectively. Defendants have not raised any objections in this regard.

Time period for fulling the granted requests

200. Considering the circumstances of the individual case, the panel sets the period for fulfilling the order to communicate information to six weeks, starting from the service of the respective enforcement notification on the Defendant concerned. Considering the extent of the information and the time period concerned, this time period is deemed to be sufficient and appropriate. The same applies to the fulfilment of the obligation to recall and definitely remove infringing products.

Applicable law before entry into force of the UPCA

201. With regard to acts committed before the entry into force of the UPCA, the parties did not bring up that substantive national law, as far as applicable, would yield another result (cf. LD Mannheim, decisions of 11 March 2025, UPC_CFI_159/2024, UPC_CFI_162/2024, Hurom vs. NUC).

No interim award of damages

202. The request for interim awards of damages is dismissed. Claimant did not present any facts in this regard that could allow an assessment as to whether and to what extent the request is justified. Therefore, the panel exercises its discretion (Art. 68 UPCA, R. 119 RoP) not to grant an interim award of damages.

PENALTY ORDER

203. The panel considers the granted amounts of the penalty order both sufficient to force the Defendants to comply with the orders, if necessary, and appropriate. In exercising its discretion (cf. R. 354.3 RoP), the panel refrained from providing a penalty sum for each infringing product (retrievable signal) with regard to injunctive relief, recall and removal. Rather, the penalty order refers to non-compliance per day (cf. CoA, order of 14 October 2025, UPC_CoA_699/2025, para. 34 - Kodak vs. Fujifilm). In this regard, it has to be taken into account that the amount cannot be raised for committed violations with retro-active effect (cf. CoA, *ibidem*, para.34 - Kodak vs. Fujifilm). The order therefore must provide for a penalty sum that is also sufficient in cases in which the first violation is a severe one, e.g. a deliberate destruction of books and accounts so as to make rendering information impossible or the deliberate marketing of a large number of infringing products despite the cease-and-desist order.

204. According to the aforementioned order of the Court of Appeal, despite the fact that a

specific daily penalty payment is determined, it is possible to deviate therefrom in favour of the party affected by the enforcement (cf. CoA, *ibidem*, para. 42 - Kodak vs. Fujifilm). Accordingly, in the case at hand, the panel refrained from prefixing the words *'up to'* to the respective penalty sums, even though it cannot discern any difference in substance. Factors relating to a specific violation, such as the number of infringing products marketed per day, may therefore be taken into account when determining a final penalty payment.

FRAND-DEFENCE

205. Defendants' FRAND defence, based on Art. 102 of the Treaty on the Functioning of the European Union (TFEU), does not preclude these legal consequences in favour of Claimant (with regard to injunctive relief, recall and removal).

206. For the purposes of assessing Defendants' FRAND defence, it can be ultimately assumed, for the sake of argument alone without finding in the affirmative in this decision, in favour of Defendants that the technical teaching of patent claims 1 and 15 is – at least *de facto* – standard-essential and confers a dominant market position for Claimant, and that Claimant (and Defendants) must adhere to the negotiation framework established by the ECJ in the case Huawei/ZTE (judgment of 16 July 2015, C-170/13, ECLI:EU:C:2015:477). It is to be emphasized that Defendants neither identified any relevant market nor submitted facts supporting that Claimant has a dominant position in such a market conferred by the patent-in-suit. Further, Defendants did not even deal with the legal question if and why the Huawei/ZTE regime, which was developed against the background of a *de jure* standard situation, should apply in a *de-facto* standard situation. Defendants took it as given that the Huawei/ZTE regime applies without any further argument having been presented. Defendants have not provided sufficient details on any of these aspects, let alone in the written procedure, with regard to their factual prerequisites and legal consequences. Thus, for the sake of clarity, the panel considers it necessary to address these points briefly. However, these considerations are not decisive in the present case as Defendants' FRAND defence is unsuccessful even if the negotiation framework according to Huawei/ZTE would be applicable.

Dominant market position - Legal Framework

207. The UPC applies Union law in its entirety and respects its primacy, Art. 20 UPCA. EU law is the primary source of law to be applied by the Unified Patent Court, Art. 24(1)(a) UPCA.

This includes the TFEU. The decisions of the ECJ are binding on the UPC, Art. 21(2) UPCA.

208. Art. 102(1) TFEU prohibits the abuse of a dominant position in the internal market or in a substantial part thereof by one or more companies, insofar as this may affect trade between Member States.

209. A dominant position within the meaning of Art. 102 TFEU relates to a position of economic strength which enables a company to prevent the maintenance of effective competition in the relevant market, by giving it the power to behave to an appreciable extent independently of its competitors and customers (ECJ, judgment of 19 April 2012, C-549/10 P, ECLI:EU:C:2012:221, para. 38 - Tomra; see also: LD Munich, UPC_CFI_2/2023, decision of September 19, 2023, p. 93 - 10x Genomics vs. NanoString; LD Düsseldorf, UPC_CFI_135/2024, decision of 18 March 2026, paras. 458 et. seqq. - Dolby vs. Beko). The relevant market must first be defined in terms of product scope and geographic scope before it can be determined whether a company holds a dominant position in that market (cf. LD Munich, *ibidem*, p. 93 et seq. - 10x Genomics vs. NanoString). The definition of a relevant product market generally follows the demand-side market concept, i.e. assessing the substitutability of products from the perspective of the customer. Accordingly, the relevant product market comprises all products or services that, due to their characteristics, are particularly suited to satisfying a consistent demand and are only to a limited extent interchangeable with other products or services (cf. ECJ, judgment of 26 November 1998, C-7/97, ECLI:EU:C:1998:569, para. 33 - Oscar Bronner). The relevant geographic market comprises the area in which the concerned companies are involved in the supply and demand of products or services, in which the conditions of competition are sufficiently homogenous and which can be distinguished from neighbouring areas because the conditions of competition are appreciably different in those areas (cf. Commission Notice on the definition of the relevant market for the purposes of Union competition law (C/2024/1645), para. 38).

210. If a written technical standard established by a standardisation body (*de jure* standard) or another set of technical properties acknowledged by market participants as a technical standard (*de facto* standard) prescribes a standardized technical design of a product that is protected by intellectual property rights and, from the perspective of customers, is not substitutable by another product, the granting of rights that enable potential suppliers of this product to offer it in the market typically constitutes a separate market upstream of

that product market (cf. ECJ, judgment of 29 April 2004, C-418/01, ECLI:EU:C:2004:257. para. 44 - IMS Health), the so-called licensing market.

211. For an intellectual property right, e.g. a patent, to confer to the holder of that right a dominant position in a licensing market, it is normally required that it is not technically possible to circumvent the technology protected by the patent without losing essential functions of the products or services offered on the downstream market (cf. ECJ, Huawei v. ZTE, para. 49 et seq.; European Commission decision of 29 April 2014, case AT.39985, para. 52 – Motorola, and European Commission decision of 29 April 2014, case AT.39939, para. 27 – Samsung). Furthermore, the teaching corresponding to the patent and the standard must not be substitutable by a different technical design of the product (see ECJ, Judgment of April 29, 2004, C-418/01, para. 28 - IMS Health).

212. The burden of presenting sufficient facts and – if necessary – proof regarding the patent holder's dominant position in the relevant licensing market lies, in principle, with the implementer (cf. LD Munich, UPC_CFI_9/2023, decision of 18 December 2024, p. 139 - Huawei vs. Netgear; LD Düsseldorf, UPC_CFI_135/2024, decision of 18 March 2026, para. 463 - Dolby vs. Beko and Council regulation (EC) No 1/2003 of 16 December 2002 on the implementation of the rules on competition laid down in Articles [101] and [102] of the Treaty, Art. 2).

Standard essentiality and dominant market position in the present case

213. Applying these principles, Defendants have not presented sufficient facts to allow the conclusion that Claimant holds a dominant position in any relevant market.

De jure standard

214. First of all, HEVC clearly defines the encoding process as not being part of its specifications (cf. Exhibit AR-T5, definition 3.51 under section 3). Therefore, in principle, the asserted patent claims that relate to an encoding method and a video signal encoded in accordance with this encoding method are not part of HEVC's technical specifications and do not constitute a *de jure* standard. Consequently, the asserted claims would, in that case, also not fall within the scope of the FRAND declaration of Claimant's legal predecessor, which is restricted to patent claims that are in fact part the of technical specifications of the HEVC standard (cf. Exhibit TW1, p. 3).

215. Defendants have not sufficiently substantiated and explained, why this assumption could be refuted by the fact, that HEVC imposes certain restrictions on the bitstream syntax of the bitstream to be decoded in accordance with its specifications, the latter not being contested by Claimant. Nevertheless, the encoding process itself, in particular how to implement the technical requirements for providing an encoded signal that can be decoded in accordance with HEVC specifications, are not determined by the HEVC standard. Against this background and due to the absence of sufficient factual allegations, Defendants belated argument, which was first raised during the oral hearing, that all relevant market players made a joint effort to develop HEVC and hereby acted in non-compliance with the prohibition of anticompetitive agreements in Art. 101 TFEU with regard to horizontal cooperation, as the necessary FRAND declaration should have covered "the encoding parts that are necessary for decoding", does not justify a different assessment in the present case. Further, Defendants have failed to properly explain what the legal consequences of the alleged anti-competitive cooperation should be.

216. Moreover, even if the technical teaching of the asserted claims were part of a *de jure* standard, this would not "automatically" confer a dominant position in a relevant licensing market (cf. ECJ, judgment of 6 December 2012, AstraZeneca, C-457/10, EU:C:2012:770, para. 186, European Commission decision of 29 April 2014, case AT.39939, Samsung, para. 46, and European Commission decision of 29 April 2014, case AT.39985, Motorola, para. 223). Further, it is questionable whether Defendants would be, in the light of the FRAND-licence declaration, initially relieved of the burden of presenting facts in this regard (cf. regarding these questions: Opinion of the Advocate General delivered on 20 November 2014 concerning case C-170/13 [Huawei/ZTE], ECLI:EU:C:2014:2391, para. 57 et. seq.; ECJ, judgment of 6 April 1995, Magill, C-241/91 P and C-242/91 P, ECLI:EU:C:1995:98, para. 46; see also: German Federal Court of Justice (BGH), GRUR 2020, 961 paras. 56 et. seqq. - FRAND I). However, if Defendants were nevertheless required to demonstrate Claimant's dominant position in a relevant licensing market, even if the asserted claims were part of a *de jure* standard, they failed to do so (see immediately below).

<u>*De facto* standard</u>

217. Moreover, Defendants have not put forward any facts that would support the conclusion

that the technical teaching of the asserted claim has become a *de facto* standard for products or services on the relevant downstream market and thus confers a dominant position to Claimant in the upstream licensing market.

218. To the contrary, Defendants state in their Rejoinder regarding the Infringement action that – without the ability to use the teaching of the patent-in-suit – *"the advantages of HEVC over prior standards such as AVC would be lost"*. Defendants repeated this allegation in the oral hearing with regard to a "new bitstream" that is – according to Defendants – "a workaround that does not infringe", which is currently in place in Germany due to several injunctions imposed by the Regional Court Munich I. However, the mere fact that the implementer loses certain technical advantages, if it is not allowed to make use of the technical teaching of a patent, is a common situation where the claimed invention actually improves upon prior art, and is not in itself sufficient for conferring a dominant position in the licensing market for the patent holder. In the present case, Defendants have not put forward any facts as to why it should not be possible to operate a streaming service without using the subject matter of the asserted patent claims. Accordingly, Defendants themselves clearly take the view, that they can circumvent the technical teaching of the asserted patent claims by using a "new bitstream", without having alleged any specific adverse effects on their streaming service in this regard. Insofar as Defendants – again for the first time in the oral hearing – argued that there were over 30.000 patents declared to be standard essential to the HEVC standard, this likewise contains no factual assertions as to why the patent claims in question would confer a dominant market position for Claimant.

219. However, as explained above, in the present case it is ultimately assumed for the sake of the argument alone in favour of Defendants that patent claims 1 and 15 establish a dominant position for Claimant in the relevant upstream licensing market.

<u>Negotiation obligations according to Huawei/ZTE</u>

220. Furthermore, it is assumed for the benefit of Defendants, that the principles set out by the ECJ in Huawei/ZTE also apply, if a patent claim confers a dominant position for a patent holder on an upstream licensing market because its technical teaching has become a *de facto* standard in the relevant downstream market.

221. However, the ECJ judgment in the case Huawei/ZTE only relates to a SEP that has been

formally declared standard-essential with a corresponding FRAND-licence obligation. Whether the principles set out by the ECJ also apply to patent claims that (only) confer a dominant position in an upstream licensing market because their technical teaching has become a *de facto* standard in the relevant downstream market, is far from being settled (cf. Grabinski/Zülch/Tochtermann in Benkard, German Patent Code, 12. Edition 2023, PatG § 139 paras. 177-179). In particular, in such a case, there is no FRAND-licence declaration on which market participants could reasonably rely to assume that FRAND licences will be granted. In Huawei/ZTE, the undertaking of the proprietor of the SEP to grant licences on FRAND terms is a key consideration for the negotiation framework established by the ECJ (cf. ECJ, loc. cit., in particular para. 50, para. 53 and para. 64).

222. Even assuming that the principles set out in Huawei/ZTE apply to the present case, the FRAND defence is unsuccessful as Defendants are unwilling to obtain a licence on FRAND terms.

Legal framework according to Huawei/ZTE

223. In the case Huawei/ZTE the ECJ established a framework for licence negotiations that is binding on the courts of the Member States. As set out in detail in the decision of the LD Mannheim of 22 November 2024 (UPC_CFI_210/2023, paras. 188 et. seqq. - Panasonic v. Oppo), the ECJ's negotiation framework is not focused solely on determining the respective licensing terms, which would be stripped of an assessment of the respective conduct of the parties during the negotiations. Rather, the central concern of Huawei/ZTE is to establish a negotiation framework with reciprocal obligations that simultaneously serves to assess the question of primary EU law as to whether the enforcement of the patent holder's rights of injunctive relief, recall and removal is subject to antitrust restrictions. The determination of a FRAND licence rate, if any, is merely one component of this framework. An assessment of the terms of a FRAND licence that disregards the steps established by the ECJ —in the sense of determining the licence fee on purely economic grounds without taking into account the relevant conduct of the parties involved in the negotiations— does not comply with Union law and would therefore violate mandatory law in the Member States.

224. According to the ECJ, before filing an action for an injunction, the SEP holder must first notify ("alert") the patent user of the alleged patent infringement. In doing so, the holder must identify the patent in question and specify how it is alleged to have been infringed

(ECJ, loc. cit., para. 61, para. 71).

225. In a subsequent step—also prior to filing a lawsuit—the patent user must then initially express its willingness to enter into a licence agreement on FRAND terms (ECJ, loc. cit., para. 63, para. 71). It must not be limited to mere "lip service", but must be sincere so that it can serve as a basis for further negotiations. However, simply examining the initial statement is generally insufficient when determining whether the implementer is seriously interested in obtaining a licence. A statement to this effect is not, in and of itself, sufficient to determining whether the implementer in question is genuinely serious about it. In this regard, the implementer's conduct throughout the negotiations must always be considered in its entirety.

226. On the other hand, the assessment of FRAND-compliant conduct must not focus solely on the implementer's willingness to take a licence, in the sense of analysing only its conduct. Therefore, it is incorrect to assess "willingness to licence" solely based on the patent user's counteroffer, if any, and by using that counteroffer as an indication for or against the seriousness of the user's conduct without first considering the SEP holder's offer. Under such an understanding, there would be a significant risk that the required examination of the offer made by the SEP holder, who is bound by antitrust law, will be entirely omitted or, at best, conducted only superficially.

227. Rather, provided that the initial willingness to take a licence has been sufficiently demonstrated by the implementer, the SEP holder's offer must in principle always be reviewed for compliance with FRAND principles. This step must, in principle, not be omitted or carried out only in a cursory manner. In this regard, an examination that seeks to comply with the case law of the ECJ must not only analyse the patent user's conduct for indications to allege a lack of willingness to licence, without seriously examining the SEP holder's offer. The SEP holder is therefore generally obliged, when submitting its offer, to demonstrate and explain – to the best of its ability given the stage of negotiations – why it considers that the offer it has submitted can be regarded as FRAND-compliant. In consequence, this examination of the SEP owner's offer refutes any claim that an (almost automatic) injunction could be used as a weapon to force implementers to accept supra-FRAND rates. If the SEP owner's offer is not found to be FRAND, there is no injunction and no undue pressure on an implementer to accept licence terms, which are not FRAND.

Accordingly, any assertions that injunctions would be granted de facto without examination and in continuation of an alleged "German court practice", are unfounded and not based on supportive data.

228. However, the extent to which the court must examine the Claimant's conduct and offer depends largely on the specific issues the prospective licensee raised during negotiations and the information the licensee provided to the patent holder so that the latter could make an offer tailored to the licensee's circumstances. The court's assessment depends on the parties' allegations and arguments in a party-driven process. Objections raised solely in court against the backdrop of an impending injunction are not sufficient on their own. This is because – barring exceptional circumstances – the implementer is always obliged to respond promptly to an offer from the SEP holder by providing a substantive reply and, at least, raising key objections and requesting specific amendments, so that the SEP holder can respond and move the negotiations forward in a focused manner.

229. Based on these principles, Defendants' FRAND defence is unfounded:

<u>Infringement notification</u>

230. Claimant notified Defendants' group of companies of the infringement of the asserted patent claims.

231. Insofar as Defendants alleged in the Statement of defence, Claimant *"had an obligation to notify the Defendants of the Patent and its status as standard essential patent for HVEC and offer a license on FRAND terms and conditions. However, the Plaintiff did the exact opposite and explicitly refused to comply with RAND requirements from the outset despite repeated requests by Defendants for a RAND license"* (cf. SoD, page 4), this statement does not contain the unambiguous allegation that Claimant did in fact not notify Defendants of the alleged infringement of the patent-in-suit in advance of the present proceedings.

232. To the contrary, it is apparent from Exhibits AR50 and AR51 that Claimant referred to a patent-portfolio regarding encoding technology relevant for HEVC and AVC, and entered negotiations under an NDA with Defendants. Moreover, Claimant announced to provide claim charts for the relevant portfolio during these negotiations under the NDA (cf. Exhibit AR 51, email of July 2022 = p. 4 of the pdf.-document). It is undisputed that Claimant made

a licence offer covering the patent-in-suit on […].

233. The circumstance that Claimant has not formally notified the relevant patent claims as standard-essential for HEVC does not justify the assessment that the infringement notice as such is devoid of purpose. According to the principles set out in Huawei/ZTE, the patentee has to notify the alleged infringer of the patent infringement of which he is accused prior to filing the Infringement action, hereby specifying the relevant patent and specifying the way in which it has been infringed. These requirements are met even if an additional formal acknowledgement of the relevant patent claims as being standard essential is missing. What is relevant is whether the alleged infringer is able to assess the alleged patent infringement on the basis of the notice of infringement. This is, at least, not sufficiently contested in the present case.

234. During the oral hearing, Defendants' representative initially alleged that Claimant had not notified Defendants of the infringement of the asserted patent claims prior to the present proceedings. Claimant's representative disagreed and referred to the abovementioned documents and to further documents covered by confidentiality obligations, the lifting or amendment of which Defendants refuse to allow (see below), and which she was therefore unable to present in detail. In response to Claimant's representative's question whether, in light of the duty of truthfulness, Defendants were certain that no notification of infringement had been made, Defendants' representative stated that he could *'not confirm whether this is true or not'* (see audio-protocol of the hearing).

235. Against this background, Defendants have not sufficiently contested Claimant's notification of infringement of the asserted patent claims, which is therefore deemed to be true between the parties in accordance with R. 171.2 RoP.

236. Apart from that, Defendants cannot allege that there was no infringement notice whilst, simultaneously, preventing Claimant from substantiating and, if necessary, proving its existence by invoking the terms of the previous concluded NDA (see below). This contradictory behaviour also allows the conclusion that the infringement notice is deemed to have been provided.

<u>Claimant's licence offer/Defendants' unwillingness to obtain a licence</u>

237. It can be assumed that Defendants initially expressed their willingness to take a licence

on FRAND terms without any relevant reservations or restrictions, which formed a suitable basis for further licence negotiations. However, taking into account all relevant circumstances of the case, Defendants must be regarded as unwilling licensees.

238. Claimant offered a licence regarding its video encoding portfolio, including the patent-in-suit, on […]. In this regard, it is undisputed that the parties negotiated concerning this offer until at least […], whereby Defendants' group of companies did not make a counter-offer for one year and a half (Exhibit TW9).

239. As explained above, Claimant's offer must in principle be examined, at least to the extent as to why Claimant was allowed to assume that the offer satisfied FRAND terms given the knowledge at the point in time, when the offer was made. However, in the present case, this is not possible, because Claimant's licence offer is subject to an NDA, which prevents Claimant from submitting and explaining it in the present proceedings.

240. This is attributable to Defendants' conduct, since they have prevented a full disclosure and discussion of the negotiation history and have thus, in any event, effectively made it impossible for Claimant to demonstrate that it has fulfilled its (assumed) FRAND negotiation obligations. Defendants must therefore be regarded as unwilling to obtain a licence.

241. Paragraph 3 in conjunction with paragraphs 1, 8 and 12 of the NDA prohibits Claimant to present the details of its own licence offer to show that it is *"willing to license"* and Defendants are *"unwilling to license"* even after the termination of the NDA. The relevant paragraph 3 was included in the NDA at Defendants' request.

242. Consequently, Claimant immediately asked Defendants, after Defendants had raised the FRAND defence in their SoD, to mutually agree upon each party's right to present the full negotiating history in the present proceedings (cf. Exhibit AR 49). Defendants did not respond to this enquiry (in substance), even though they themselves pointed out that they were unable to provide further details due to the NDA (Rejoinder of 27 October 2025, para. 22).

243. Defendants' allegations that they *"were more than willing to do so"* and had responded by unsuccessfully requesting Claimant to identify *"which communication they wished to have included "*(cf. para. 29 Rejoinder IA), are contested by Claimant and lack any factual basis. On the contrary, Claimant presented the relevant emails in conjunction with the

factual assertion that Defendants did not respond to them (Exhibit AR49). On the other hand, Defendants did not submit any email or letter that addresses Claimant's justified enquiry, which would have enabled both parties (under protection of an order pursuant R. 262A RoP) to elaborate in detail on the negotiation history. Moreover, the alleged *"request"* to identify *"the communication"* Claimant *"wished to have included"* is a clear pretext to delay such an agreement, since it is apparent from Claimant's submissions that it seeks to present the whole negotiation history and – at least – its own licence offer and the corresponding further information it provided in this regard. A willing licensee would have made efforts to immediately conclude an agreement, which would have allowed both parties to present all relevant facts in the present proceedings.

244. Effectively, Defendants use the previous confidentiality regime to prevent Claimant from fully explaining the licence negotiations during the written procedure of these proceedings, in particular regarding Defendants' engagement and Claimant's explanations about its patent portfolios and its licence offer. In view of these specific circumstances, it is irrelevant in the present case that Claimant did not/could not set out the details of its licence offer.

245. Against this background, it is also irrelevant whether the provisions of the NDA that effectively prevent Claimant from disclosing the whole history of the licence negotiations in subsequent court proceedings are valid in the European Union with regard to *ordre public*.

246. This is highly questionable because antitrust law and the principles established by the ECJ in this regard are part of the *ordre public* of the EU (cf. ECJ, judgment of 1 June 1999, C-126/97, ECLI:EU:C:1999:269 - eco swiss, ECJ, judgment of 21 December 2023, C-124/21 P, ECLI:EU:C:2023:1012, para. 192/193 - International Skating Union; ECJ, judgment of 1 August 2025, C-600/23, ECLU:EU:C:2025:617, para. 88 - Royal Football Club Seraing vs FIFA). Accordingly, an NDA designed to prevent a licensor and/or a licensee from disclosing its/their whole conduct during the licence negotiations in subsequent court proceedings, in order to demonstrate whether it/they acted in accordance with the negotiation obligations applicable in SEP-cases according to Huawei/ZTE, could be deemed invalid with regard to the territory of the EU. However, even if the relevant provisions of the NDA in question were invalid within the EU, Claimant would not have been obliged to disclose the facts relating to the licence negotiations of its own accord and without Defendants' consent, as this could have had adverse consequences for Claimant in the US due to a

breach of its contractual obligations.

247. Moreover, Defendants would have been obliged to react to Claimant's offer with – at least – substantive criticism that would have had enabled Claimant to amend its offer on the basis of better information. However, it is undisputed that Defendants only stated that Claimant's offer was made *"on a discriminatory basis and not on reasonable terms and conditions"* (cf. Set of Exhibits AR50, p. 21). This is, in fact, nothing that Claimant can react to in a way that would have moved the licensing negotiations forward quickly.

248. Consequently, Defendants are to be considered as unwilling licensees due to their refusal to cooperate properly in amending the previous confidentiality regime, thereby effectively preventing the disclosure of the entire history of the negotiations, and due to their insufficient reaction on Claimant's licence offer.

249. Against this background, it is not decisive that Defendants did not make a "counteroffer" until one year and a half after Claimant's initial offer (Exhibit TW 9). There is no objective reason apparent why Defendants waited so long to respond to the Claimant's initial offer with a first (brief) counterproposal. Furthermore, the counteroffer set forth in Exhibit TW9 does not include any substantive discussion or criticism of Claimant's offer. Rather, it merely amounts to a counter-proposal that is not substantiated in any detail and does not engage substantively with Claimant's offer.

250. No contrary conclusion can be drawn from the fact that the Claimant takes the legal position that it was not bound by FRAND obligations at all. What matters is that the Claimant did, in fact, fulfil its – assumed – FRAND negotiation obligations. This question would only have to be assessed differently if the patent holder—in line with its (flawed) view—were not to make any licensing offer to the implementer at all, or were to make one that, given the knowledge at that point in time, does not meet FRAND criteria, which is not the case here.

VALUE OF THE DISPUTE

251. After hearing the parties, the value in dispute for the Infringement action is set 8.000.000 € and the value in dispute for the Counterclaim for revocation is set at 8.000.000 €, in accordance with the judge-rapporteur's order pursuant to R. 370.6, R. 104 (i) RoP of 22 April 2026.

COSTS

252. The decision on allocation of the (recoverable) costs with regard to both the infringement action and the counterclaim for revocation is based on Art. 69 (1), (2) UPCA, R. 118(5) RoP.

253. The allocation of cost corresponds to the degree of success of the parties. The dismissal of the request for interim award on damages carries less weight and does not decisively influence the allocation of costs.

ENFORCEABILITY

254. When deciding on an enforcement security, the court has discretion. When exercising its discretion, the court has to take the circumstances of the individual case into account and balance the interests of the parties concerned. In the case at hand, the court exercises its discretion to make the enforceability of the ordered injunctive relief, recall and removal subject to the provision of an enforcement security.

255. Defendants have sufficiently substantiated that it is at least unclear whether Claimant's financial position is sufficient to cover any damages resulting from an enforcement of the relevant orders of this decision. Only Claimant's parent company is a public listed company, which – according to Claimant – has sufficient financial resources. However, Claimant has not provided any details of its own financial situation, nor has it argued that its parent company has given an unconditional undertaking, for the benefit of Defendants, to be liable for any damages arising from the enforcement of the present decision.

256. In the present case, it is, in particular with regard to the territorial scope of the decision, necessary and sufficient to set the enforcement security to 8 million €. Defendants have not substantiated their allegation that, if the injunction were enforced, they would lose revenue amounting to (a minimum of) 500 million € within one year, which is disputed by Claimant. As set out above, Defendants have not sufficiently demonstrated that they would be unable to operate their streaming service in a commercially viable manner when they cannot use the technical teaching of the asserted patent claims. Rather, they themselves state that they altered the encoded bitstream and implemented a workaround without any indication that this had resulted in a significant decline in subscriptions. In the absence of better information, the panel therefore bases the enforcement security

on the value of dispute concerning the Infringement action.

DECISION:

I. The Defendants are ordered,

1. to refrain from

a) offering or placing on the market in the territory of the Contracting Member States of Austria, Belgium, Germany, Denmark, Finland, France, Italy, the Netherlands, Portugal, Romania and Sweden

encoded picture data directly produced by a method in a video encoder,

wherein the method comprises

encoding (690) picture data for at least a block in a picture, wherein

multiple partition types are supported for intra prediction chroma coding of the block (630, 830, 870), the multiple partition types comprising a set of multiple chroma partition types of sizes 16x16, 8x8, 4x4 and a set of multiple luma partition types (830, 870), wherein a particular chroma partition type using a single chroma intra prediction mode for coding the block is determined from the set of multiple chroma partition types in response to a luma partition type utilized to code the block or one or more neighboring blocks (670), the luma partition type being included in the set of multiple luma partition types,

(direct infringement of method claim 1, variant 2)

b) offering or placing on the market in the territory of the Contracting Member States of Austria, Belgium, Germany, Denmark, Finland, France, Italy, the Netherlands, Portugal, Romania and Sweden

a signal comprising video data,

wherein these are generated by

encoding picture data for at least a block in a picture, wherein multiple partition types are supported for intra prediction chroma coding of the block, the multiple partition types comprising a set of multiple chroma partition types of sizes 16x16, 8x8, 4x4 and a set of multiple luma partition types, wherein a particular chroma partition type using a single chroma intra prediction mode for coding the block is determined from the set of multiple chroma partition types in response to a luma partition type utilized to code the block or one or more neighboring blocks (670), the luma partition type being included in the set of multiple luma partition types;

(direct infringement of product claim 15, variant 2)

2. to

a) recall and

b) permanently remove

the products referred to in section I.1 from the channels of commerce within a period of six weeks after service of the notification within the meaning of R. 118.8 sentence 1 RoP and, if applicable, the certified translation, and after the enforcement security as set out below in section IX. has been provided;

3. to inform the Claimant of the extent to which the Defendants have committed the acts referred to in section I.1. since 28 November 2018, within a period of six weeks after service of the notification within the meaning of R. 118.8 sentence 1 RoP and, if applicable, the certified translation,

   in the form of a structured statement in electronic form capable of being evaluated by computer, organised by each month of a calendar year and by infringing product, covering:

   a) the origin and distribution channels of the infringing products;

   b) the quantities produced, manufactured, delivered, received or ordered, and the prices paid for the infringing products;

   c) the identity of all third parties involved in the manufacture or distribution of the infringing products;

4. to disclose to the Claimant, within a period of six weeks after service of the notification within the meaning of R. 118.8 sentence 1 RoP and, if applicable, the certified translation, their books of account in support of the information provided pursuant to section I.3., together with information on the profits made, by making available in electronic form capable of being evaluated by computer, organised by each month of a calendar year and by each infringing use of the method and each infringing product:

   a) evidence of the number and dates of the infringing products offered and distributed;

   b) invoices – or, if unavailable, delivery notes – for individual deliveries, broken down by quantities offered, dates of offers, prices of the products offered and type designations, as well as names and addresses of the commercial recipients of offers to sell, for all infringing products sold or otherwise disposed of;

   c) evidence of advertising activities carried out, broken down by advertising medium, its distribution, the period of distribution and the distribution territory; including supporting documentation of such advertising activities;

   d) evidence of costs, broken down by individual cost factors and the profits made;

   e) invoices – or, if unavailable, delivery notes – and corresponding accounts of all costs incurred upon which the Defendants rely in calculating their profits;

and confirm the accuracy of the information provided by an affidavit,

or, in the alternative,

have it audited and confirmed by a sworn auditor appointed by the Claimant at the Defendants' expense, such auditor being bound to maintain confidentiality towards the Claimant with respect to the information specified above.

whereby the use of the information mentioned under sections I.3 and I.4 above is limited to calculating any damage claims against Defendants' group of companies and to identifying further patent infringing acts;

and whereby Defendants reserve the right to file a reasoned request for protection of confidential information pursuant to R. 262A RoP when said information is submitted.

II. It is declared that the Defendants are, as joint and several debtors, liable to compensate the Claimant for all losses suffered by it as a result of the acts referred to in section I.1. since 28 November 2018 and to be suffered in the future.

III. It is declared that the Defendants have infringed patent EP 2 465 265 by

1. offering and placing on the market, in the territory of the Contracting Member States of Austria, Belgium, Germany, Denmark, Finland, France, Italy, the Netherlands, Portugal, Romania and Sweden, encoded picture data directly produced by a method in a video encoder, and

2. offering and placing on the market, in the territory of the Contracting Member States of Austria, Belgium, Germany, Denmark, Finland, France, Italy, the Netherlands, Portugal, Romania and Sweden, signals comprising video data.

IV. In case of any violation of the orders under I.-III., the respective Defendant shall pay a penalty payment in the amount of

- of 250.000 € for each day of violation of the order I.1,
- of 50.000 € for each day of violation of the order I.2,
- of 10.000 € for each day of violation of the order I.3 and I.4.

V. In all other respects the Infringement action is dismissed.

VI. The Counterclaim for revocation is dismissed.

VII. Defendants have to bear the costs of the litigation.

VIII. The value in dispute for the Infringement action and the Counterclaim of revocation is set at 8.000.000 € each.

IX. The orders under I. shall be enforceable only after the Claimant has notified the Court which part of the orders it intends to enforce, this notification has been served on the Defendant concerned and, if applicable, a certified translation of the orders in the official language of a Contracting Member State in which the enforcement shall take place has been

provided by the Claimant and served on the Defendant concerned.

Furthermore, the orders under I.1 and I.2 (Injunctive relief, recall and removal) shall only be enforceable once the Claimant has provided security in favour of Defendants in the form of a deposit of 8 million €, or has provided a written, irrevocable, unconditional and open-ended bank guarantee of 8 million € from a credit institution authorised to carry on business within the territory of a Member State of the European Union.

Delivered in Mannheim on 16 June 2026
signed by

Presiding judge Tochtermann
Legally qualified judge Sender
Legally qualified judge Severinsson
Technically qualified judge Kretschmann
For the Sub-Registrar: Kranz, Clerk LD Mannheim

Information about appeal
An appeal against the present Decision may be lodged at the Court of Appeal, by any party which has been unsuccessful, in whole or in part, in its submissions, within two months of the date of its notification (Art. 73(1) UPCA, R. 220.1(a), 224.1(a) RoP).

Information about enforcement (Art. 82 UPCA, Art. Art. 37(2) UPCS, R. 118.8, 158.2, 354, 355.4 RoP)
An authentic copy of the enforceable decision or order will be issued by the Deputy-Registrar upon request of the enforcing party, R. 69 RegR.